

Summary

A proposal to increase:

Gnosis

- sDAI - Supply Cap
- GNO - Supply Cap

Motivation

The recommendations below were made utilizing Chaos' supply and borrow cap methodologies and after analyzing user positions for each asset.

sDAI

The supply cap for sDAI on Gnosis V3 is currently at 85% utilization.

Considering the liquidity on Gnosis and the usage of sDAI on Aave, primarily to borrow xDAI and USDC, we recommend doubling the supply cap and setting it at 6M sDAI.

GNO

The supply cap for GNO on Gnosis V3 is currently at 89% utilization.

The recent increase in supply cap utilization is due to this [account](#) which supplied 10K GNO and accounts for ~37% of the total GNO supply.

As the proposal for allowing GNO borrows has entered the [AIP stage](#), we suggest a slight increase of the caps. This approach will allow us to monitor the impact of the proposal on GNO's activity within the platform, before proposing more substantial cap increases, while not hindering growth.

We recommend increasing the GNO supply cap to 40K.

Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Gnosis

sDAI

3,000,000

6,000,000

N/A

N/A

Gnosis

GNO

30,000

40,000

N/A

N/A

Next Steps

Once we receive feedback from [@Gauntlet](#) on the above recommendations, we will move forward to implement these updates via the Risk Steward process.