title: [ARFC] Activate emode for cbETH Aave Ethereum V3

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Dated: 2023-02-27

Summary

cbETH is a centralized Liquid Staking Derivative minted by Coinbase

CbETH is minted by coinbase when users Stake ETH.

For more information about cbETH please refer to cbETH V3 ARC

This ARFC presents the Aave governance with the opportunity to Activate emode for cbETH Aave Ethereum V3 market.

Abstract

This ARFC proposes to add cbETH asset to emode category "1" for "ETH correlated" assets.

Motivation

cbETH is currently the second largest ETH Liquid staking derivative of the V3 market.

Allowing the activation of emode has a clear use-case for leveraged strategies based on cbETH as collateral to both "long" cbETH currently at a small discount on secondary markets and increased staking yield via loops strategies.

With the current supply and borrowing caps, this activation can be done while keeping a conservative approach.

Specification

Ticker: cbETH (cbETH)

Contract Address: 0xBe9895146f7AF43049ca1c1AE358B0541Ea49704

the AIP implementation is to call setEModeCategory() from POOL.CONFIGURATOR to set it to 1

more technical details will be available in payload deployment & contracts published at the AIP stage of this proposal

Disclaimer

The Aave-Chan Initiative is not linked nor paid by Coinbase to publish this ARFC

The ACI supports LSD diversity as part of its delegate platform

At the time of Writing, Marc Zeller, ACI's founder, does not hold any cbETH.

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