

Hello all,

As mentioned in the [SBE introduction](#) post, the parameters need to be reconfigured over time in order to optimize the outcome. BA Labs recently posted an analysis of [SBE performance](#), where we address several related mechanics.

Based on the current average daily liquidity growth rate of ~\$468,000 in the Uniswap v2 DAI/MKR pool which is based on the average delay of SBE compared to hop

parameter, the pool size will be at least \$14m large when the spell containing parameter changes execute at the earliest on the 18th, assuming the changes go into the spell on the 16th. At a pool size of \$14m and bump

(lot) size of 20k dai, the sandwich attacks are not profitable also in the case where gas fee is compensated by block producers.

The hop

parameter is reconfigured to comply with the [MIP104: 9.1.2.1](#) annual Rate of MKR Accumulation at 100m dai, or 200m Effective Accumulation when accounted for paired dai which is provided as liquidity.

As explained in the analysis, the want

parameter (allowed slippage between the oracle and SBE activity) at 0.98 is sufficiently small to prevent front and back running attacks, while large enough to not hinder the activity and further increase the realized delay compared to target. Therefore we are not proposing changes to this parameter at the current time.

The proposed changes will effectively make less actions in larger sizes, which will reduce costs due to SBE sending less transactions into the network and consuming less gas.

Therefore we propose the following parameter changes;

- Hop: 6308 seconds
- Bump: 20,000 DAI

Assuming the approval of the proposal by the Responsible Facilitator of the MIP104: Stability Scope, we would prefer to recommend that the above parameters are polled on-chain next Monday 7th of August and included in the upcoming executive vote.