Summary

A proposal to increase:

- Ethereum:

- Supply cap for RPL

- Supply and Borrow cap for MKR

- Supply cap for UNI

- Borrow cap for cbETH

- Supply cap for RPL

- Supply and Borrow cap for MKR

- Supply cap for UNI

- Borrow cap for cbETH

Motivation

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

RPL

The supply cap for RPL on V3 Ethereum is currently at 100% utilization. The cap has been recently increased and filled within a few days, with the main supplier being account 0x6e96a8f5493d55c3a5cdbf2b2d8e049f812a929a, supplying nearly 65% of all RPL tokens.

[

Untitled - 2023-09-05T195739.951

2190×448 42 KB

](https://europe1.discourse-cdn.com/business20/uploads/aave/original/2X/9/9907974b20974f0c4937ce69bd4b89a9ca093363.png)

As RPL is listed as a non-collateral asset, we recommend doubling the current supply cap to 840K RPL. Given the current borrow cap utilization, we do not recommend increasing it at this time.

MKR

The supply and borrow cap for MKR on Ethereum are currently at 97% and 82% utilization, respectively.

[

Untitled - 2023-09-05T195802.777

2252×434 39.8 KB

](https://europe1.discourse-cdn.com/business20/uploads/aave/original/2X/1/12913aa8442516301b8ca0a802a5a34e98a2cead.png)

We recommend increasing the supply cap to 15K and doubling the borrow cap to 3K. This will also allow additional room for migration from V2.

Please note that the debt ceiling for MKR on V3 has reached nearly 100%. We will follow up with an analysis and recommendations in a separate post.

UNI

The supply cap for UNI on Ethereum is currently at 85% utilization. This will also allow additional room for migration from V2.

[

Untitled - 2023-09-05T195804.480

2186×444 37.2 KB

](https://europe1.discourse-cdn.com/business20/uploads/aave/original/2X/7/7e1cf7a009545399799fa5f180b66d9360cb0465.png)

We recommend doubling the supply cap to 4M.

cbETH

The borrow cap for cbETH on Base is currently at 99% utilization.

[
Untitled - 2023-09-05T195810.834

2190×422 42.5 KB

](https://europe1.discourse-cdn.com/business20/uploads/aave/original/2X/6/6ef69cfeb83da18979bbdf3c71a18ae542e574c8.png)

We recommend doubling the cap from 1,200 to 2,400.

Specification

Chain	Asset	Current Supply Cap	Recommended Supply Cap	Current Borrow Cap	Recommended Borrow Cap
Ethereum	RPL	420,000	840,000	160,000	No Change
Ethereum	MKR	10,000	15,000	1,500	3,000
Ethereum	UNI	2,000,000	4,000,000	500,000	No Change

Ethereum

cbETH

60,000

No Change

1,200

2,400

Next Steps

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