

The objective of this proposal by Chaos Labs is to recommend supply caps for v3 assets that are currently uncapped. This proposal follows the fast-track process for increasing supply caps as outlined [here](#). It's important to note that these are initial supply caps for these assets and will be iterated upon. The recommendations for every asset on every chain take into consideration:

- Asset Market Cap
- Asset Counter Party Risk
- Asset Volume
- Asset Liquidity (DEX and CEX based)
- Historical Liquidations in times of high volatility

Uncapped Assets

Avalanche

Asset

Current Supply

Cap Recommendation

Current Usage / Recommendation

Liquidation Threshold

Liquidation Penalty

DEX Liquidity*

[WETH.e](#)

27.34K ETH

113K ETH

24%

82.5%

5%

~\$7M [pool](#)

[WBTC.e](#)

1.8K WBTC.e

5233 BTC

34%

75%

6.25%

\$490K [pool](#)

[LINK.e](#)

317K LINK

353K LINK

90%

65%

7.5%

\$305K [pool](#)

[AAVE.e](#)

4.14K AAVE

4.5K AAVE

92%

71.3%

7.5%

\$238K [pool](#)

[WAVAX](#)

2.8M WAVAX

13.1M WAVAX

21%

70%

10%

~\$25M [AVAX-USDC](#) [WETH.e-AVAX](#) [USDC.e-AVAX](#) [BTC.b-AVAX](#) [USDT.e-AVAX](#)

Optimism

Asset

Current Supply

Cap Recommendation

Current Usage / Recommendation

Liquidation Threshold

Liquidation Penalty

DEX Liquidity*

[LINK](#)

47.3K LINK

258K LINK

18.3%

75%

10%

\$110K [pool](#)

[WETH](#)

32.3K WETH

35.9K WETH

89.97%

82.5%

5%

\$5.35M [pool](#)

[WBTC](#)

1K WBTC

1.1K WBTC

90%

75%

10%

\$2.33M [pool](#)

Arbitrum

Asset

Supply

Cap Recommendation

Current Usage / Recommendation

Liquidation Threshold

Liquidation Penalty

DEX Liquidity*

[WBTC](#)

500 WBTC

2.1K WBTC

23.8%

75%

10%

\$3.39M [pool](#)

[WETH](#)

12.6K WETH

20.3K WETH

63%

82.5%

5%

\$10M [pool](#)

[AAVE](#)

2.11K AAVE

2.5K AAVE

84.4%

65%

10%

N/A

[LINK](#)

313.7K LINK

350K LINK

89.62%

75%

10%

\$967K [pool](#)

*TVL of the deepest pool, captured on 11/22/22