Gauntlet Borrow and Supply Cap Recommendations for Ethereum and Arbitrum Aave V3 2023-08-16

Per Gauntlet's supply and borrow cap methodology, we recommend increasing rETH supply cap on Arbitrum v3 to 1700 and increasing LUSD supply cap on Ethereum v3 to 12m.

Specifications

Chain	Asset	Cap	Current	Recommended
Arbitrum	rETH	Supply	1300	1700
Ethereum	LUSD	Supply	6m	12m

Motivation

rETH cap usage is at 97% on Arbitrum v3.

LUSD cap usage is at 95% on Ethereum v3.

Next Steps

Once we receive feedback from [@ChaosLabs](#) on the above recommendations, we will move forward with Risk Steward or AIP actions.