title: [ARFC] TokenLogic GHO Stewards - GHO Borrow Rate Update 01/12

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Summary

This publication proposes reducing the GHO Borrow Rate by 1.50% on Core and is to be implemented by the GHO Stewards.

Motivation

The Borrow Rate has been trending lower in recent days, alongside improvements in DEX liquidity distribution, GSM balances, and peg stability.

GHO's circulating supply has contracted, while stkGHO continues to grow, largely driven by the Spectra integration.

Despite GHO being minted through USDT and USDC GSM, its overall circulating supply has declined.

Ref: [Aave Analytics | TokenLogic](#)

Ref: [Aave Analytics | TokenLogic](#)

stkGHO continues to grow strongly within the less buoyant yield environment.

Ref: [Aave Analytics | TokenLogic](#)

The distribution within Balancer and Maverick liquidity pools has improved, whilst other pool remain similar.

[Balancer v2 3pool](#)

[Curve fxUSD/GHO](#)

[Maverick BP 21](#)

[Maverick BP 37](#)

Recommendation

Current market conditions support a further reduction in the Borrow Rate to promote GHO borrowing over other stablecoins.

We recommend a 1.50% reduction, lowering GHO's borrowing cost to approximately 1% below USDT, to incentivize borrowing on the Core Aave v3 instance.

The GHO Stewards will continue monitoring market conditions to assess future adjustments.

Specification

The GHO borrow rate is to be revised as follows:

Description

Current

Proposed

Change

Borrow Rate

10.50%

9.00%

-1.50%

This proposal is to be implemented by the GHO Stewards.

Disclosure

TokenLogic does not receive any payment for this proposal.

Next Steps

The GHO Stewards will implement this proposal.

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