We are continuing to observe market dynamics, the Maker ecosystem and external environment closely. Latest dynamics suggest that highly bullish sentiment subsided in the light of an uncertain geopolitics and macro environment among other factors. The relative demand for long leverage decreased in the recent weeks, resulting in a drop in borrowing and funding rates in various onchain and cefi crypto markets.

Maker position in terms of peg stability and stablecoin reserves improved substantially and is currently very strong. Given that Ethena exposure is unlikely to be increased in the short term period, and that crypto rates decreased noticeably, we believe it is time to start lowering the rates and increasing competitiveness and crypto exposure.

We are continuing the work on updating the rate system language and corresponding interest rate model in the Stability Scope, where good progress has been made. The development on this front will be revealed and shared for feedback with the community in the coming weeks followed by a proposal to include it into the Stability Scope. Hopefully this new interest rate model and Stability Scope rate system will be able to replace and improve what currently exists, resulting in a very predictable methodology for rate setting going forward. Until then, the rates will be managed out-of-scope under the Stability Scope article 3.3.

For more detailed information please refer to the[Maker Ecosystem DAI Dynamics and External Rate Environment analysis](.)

BA Labs recommends the Stability Facilitator to perform the following parameter changes to the Maker rate system, which can go directly to the upcoming executive vote according to the language of the Stability Scope article 3.3;

- ETH-A: Decrease the Stability Fee by 3 percentage points from 13.25% to 10.25%

- ETH-B: Decrease the Stability Fee by 3 percentage points from 13.75% to 10.75%

- ETH-C: Decrease the Stability Fee by 3 percentage points from 13.00% to 10.00%

- WSTETH-A: Decrease the Stability Fee by 3 percentage points from 14.25% to 11.25%

- WSTETH-B: Decrease the Stability Fee by 3 percentage points from 14.00% to 11.00%

- WBTC-A: Decrease the Stability Fee by 3 percentage points from 14.75% to 11.75%

- WBTC-B: Decrease the Stability Fee by 3 percentage points from 15.25% to 12.25%

- WBTC-C: Decrease the Stability Fee by 3 percentage points from 14.50% to 11.50%

- DSR: Decrease the Dai Savings Rate by 3 percentage points from 13.00% to 10.00%

- Spark: Decrease the Effective DAI Borrow Rate by 3 percentage points from 14.00% to 11.00%

[

706×440 20 KB

](///makerdao-forum-backup.s3.dualstack.us-east-1.amazonaws.com/original/3X/c/6/c6cdf806631759cb44f9f64c1e748614e1ca9c67.png)