

title: [ARFC] MaticX SupplyCap Increase Polygon v3

author: [@Llamaxyz](#)

created: 2023-03-09

Summary

Llama proposes increasing the MaticX Supply Cap on Polygon v3 from 8.6M unit to 10.75M units.

Abstract

The SupplyCap for MaticX was increased from 6.0M units to 8.6M units. Within 24 hours of the upgrade going through, the utilisation of the MaticX reserve has reached 99.30%.

This proposal seeks to increase the SupplyCap by 25% to 10.75M units. Increasing the SupplyCap will enable users to deposit MaticX, earn SD rewards and enter the recursive MaticX/wMATIC yield strategy.

Stader Labs is currently offering SD rewards to user who deposit MaticX. This proposal seeks to encourage Stader Labs to continue distributing SD rewards by increasing the SupplyCap and enabling more MaticX to be deposited into Aave.

Motivation

Over the previous months, Llama has been working with various communities to craft favourable conditions on Aave v3 Polygon to facilitate the creation of several yield aggregation products.

The below proposals details are applicable to MaticX:

- [Proposal to add MaticX to Aave v3 Polygon Market](#)
- [ARFC Aave v3 Polygon wMATIC Interest Rate Update](#)
- [ARFC SD Emission Admin for Polygon v3 Liquidity Pool](#)
- [ARFC stMATIC & MaticX Emission Admin for Polygon v3 Liquidity Pool](#)
- [ARFC MaticX Polygon v3 Upgrade](#)

This proposal is a continuation of the above work.

After executing the [ARFC MaticX Polygon v3 Upgrade](#) proposal, within 24hours, the SupplyCap of 8.6M has nearly been reached.

With reference to the new [ARFC Aave V3 Caps update Framework](#) the preferred forward path is to implement several upgrades that gradually increase Aave's MaticX exposure over time.

A 25% increase in the SupplyCap was selected as it is slightly more than 50% of Circulating Supply on Polygon, 10.58M units. This is loosely aligned with the lower bound of the aggressive Supply Cap methodology provided by Gauntlet after excluding trading volume considerations reflecting due to the nature of the asset being a Liquid Staking Token.

Llama will incorporate input from either or both risk service providers before progressing to submit and on-chain proposal.

Specification

The following risk parameters being proposed by Llama.

Ticker: MaticX

Contract: [polygon: 0xfa68FB4628DFF1028CFEc22b4162FCcd0d45efb6

](<https://polygonscan.com/token/0xfa68fb4628dff1028cfec22b4162fccd0d45efb6>)

Parameter

Current Value

Proposed Value

SupplyCap

8.6M units

10.75M units

Copyright

Copyright and related rights waived via [CC0](#).