

Summary

A proposal to increase the borrow caps for cbETH on Base

Motivation

cbETH (Base)

cbETH has hit its borrow cap following new borrowing demand in recent days; it has previously reached its borrow cap before the debt was repaid.

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image

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Borrow Distribution

The top two cbETH borrowers are both looping the asset with WETH-correlated assets, putting their positions at limited risk of liquidation.

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image

2102×918 117 KB

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Recommendation

Given on-chain liquidity, user behavior, and the relatively small borrow cap relative to total supply, we recommend doubling the borrow cap.

Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Base

cbETH

3,000

No Change

200

400

Next Steps

We will move forward and implement these updates via the Risk Steward process.

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