Simple Summary

We are excited to announce that we have launched our risk management dashboard for the largest market on Aave V3 - Avalanche. With this integration complete, we are now able to support asset listings and ad hoc requests for all Aave V3 markets. The remaining simulation instances and dashboards will be built out in the coming months, to be completed for all markets by March 2023 (detailed timeline below).

Context

As outlined in our previous post, V3 represents an exciting step forward for the Aave ecosystem. New mechanisms pose both opportunities and challenges as they relate to managing market risk and optimizing capital efficiency, and we wanted to ensure our simulations were rigorously tested before releasing this dashboard to the public.

Our launch of the remaining V3 dashboards will occur iteratively and will be sequenced based on TVL as a default (subject to community input). They will initially look similar to Gauntlet dashboards for other markets, with additional parameters (supply and borrow caps) added to the existing collateral asset pages.

A new page with data per e-Mode pools will be part of the next release. Information will include the relative price volatility of assets within the pool, VaR and LaR, as well as correlation matrices demonstrating how closely price movements of assets correlate with others in the pool. A well-correlated pool is usually less risky as loans are less likely to become under-collateralized if the collateral asset price and the borrowed asset price move in tandem.

Integration Timelines

Based on feedback from the broader Aave community, we are prioritizing integrating new markets over new features. Nonetheless, some development can occur in parallel as we have team members across a range of teams (Data Science, Product, Data Eng, Front-end devs, Platform Eng, and Program Management) dedicated to this engagement.

In addition, we recognize the importance of supporting new markets to the Aave community. It will take some time to build out the data ETLs and QA our simulations for the remaining markets. Nonetheless, there are modeling not reliant on simulations that we can support immediately, upon request by the community. These include:

- New Asset Listings
- Risk modeling for key market events
- Example: ETH merge, Mango-style attack
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- Responding to parameter change proposals made by others, raising awareness of any risks and other considerations

Should a new market not listed below be deployed, we will expand support to this market and update the community on our timeline.

Market

Asset Listings

Risk Modeling

Dynamic Risk Parameters

v2 ETH

Live

Live

Live

Aave Arc

Live

Live

Live

v3 AVAX

Live

Live

Live

v3 ETH

Upon launch

Upon launch

6 weeks after launch

v3 Optimism

Live

Live

December 2022

v3 Polygon

Live

Live

February 2023

v3 Arbitrum

Live

Live

March 2023

v2 Polygon

Live

Live

March 2023

v2 AVAX

Live

Live

March 2023

Next Steps

- We will QA data outputs for e-mode and isolation mode and release in the coming weeks. Each e-mode pool will have its own page, while isolation mode assets will have an additional parameter (debt ceiling)
- In parallel, we are building out the simulations instances for the V3 Optimism market

Quick Links

[Gauntlet Aave Avalanche V3 Risk Dashboard]