

Simple Summary

The supply and borrow caps have been exceeded by the following assets, surpassing the 75% threshold.

- BAL supply (92.4%) and borrow (76%) caps on Polygon v3.
- EURS supply (78.4%) and borrow (78%) on Arbitrum v3.

In accordance to our Borrow and Supply Cap methodology, Gauntlet would like to raise the caps of the above assets to the following.

Arbitrum v3

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

EURS

60,000

65,000

45,000

65,000

Our conservative methodology thresholds the caps for EURS to be 40% of the circulating supply for EURS on Arbitrum. The community can decide whether to adopt the aggressive methodology for EURS supply cap and threshold at 60% of the circulating supply, upon which the supply and the borrow caps will be raised to 100k.

We do not recommend changing the borrow and supply caps for BAL due to the low circulating supply (~525k) of BAL on Polygon, and to prevent excess concentration risk for the protocol (currently ~70%)

Specifications

EURS Arbitrum v3