

Simple Summary

Since the community approved to deprecate the v2 AMM market within the Deprecate Aave v2 AMM Market forum [post](#), Gauntlet is providing further parameter recommendations to motivate the remaining v2 AMM users to migrate to v3 markets.

Gauntlet recommends to increase reserve factor to 99% for the following assets:

Asset

Current RF

Recommended RF

WETH

0.1

0.99

DAI

0.1

0.99

USDC

0.1

0.99

WBTC

0.2

0.99

USDT

0.1

0.99

Gauntlet recommends to adjust the IR params for the following assets:

Asset

Current Variable Base

Recommended Variable Base

Current Variable Slope1

Recommended Variable Slope1

WETH

0

0.06

0.08

No Change

DAI

0

0.04

0.04

0.1

USDC

0

0.04

0.04

0.1

WBTC

0

0.05

0.08

No Change

USDT

0

0.06

0.04

0.1

Specifications

Gauntlet aims to reduce the remaining \$94k borrow position within the market. Here are the remaining liquidity markets with outstanding borrow positions:

Asset

Supply

Borrow

WETH

\$581k

\$26.7k

DAI

\$59.38K

\$24.43K

USDC

\$54.37K

\$26.79K

WBTC

\$37.31K

\$9.12K

USDT

\$22.64K

\$7.23K

Gauntlet proposes to adjust the IR parameters to increase borrow APR to motivate borrowers to pay back their outstanding positions.

Current IR Params and Current Borrow APR

Asset
Variable Base
Variable Slope1
Variable Slope2
Uoptimal
Current Utilization
Current Borrow APR

WETH

0
0.08
1
0.65
4.60%
0.57%

DAI
0
0.04
0.75
0.8
41.14%
2.08%

USDC
0
0.04
0.75
0.8
49.27%
2.49%

WBTC
0
0.08
1
0.65
24.44%
3.05%

USDT

0

0.04

0.75

0.8

31.93%

1.61%

Recommended IR Params and Projected Borrow APR

Asset

Variable Base

Variable Slope1

Variable Slope2

Uoptimal

Current Utilization

New Borrow APR

WETH

0.06

0.08

1

0.65

4.60%

6.57%

DAI

0.04

0.1

0.75

0.8

41.14%

9.14%

USDC

0.04

0.1

0.75

0.8

49.27%

10.16%

WBTC

0.05

0.08

1

0.65

24.44%

8.01%

USDT

0.06

0.1

0.75

0.8

31.93%

9.99%

The increase in reserve factor will reduce any earn interest for suppliers and motivate them to remove their positions as well.

Next Steps

Welcome community feedback and will put up snapshots for each of the collateral asset next week.

Disclaimer

Gauntlet has not received any compensation from any third-party in exchange for recommending any of the actions contained in this proposal.

By approving this proposal, you agree that any services provided by Gauntlet shall be governed by the terms of service available at gauntlet.network/tos.