

title: [ARFC] TokenLogic GHO Stewards - GHO Borrow Rate Update

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Summary

This publication proposes reducing the GHO Borrow Rate by 1.00% on Core and is to be implemented by the GHO Stewards.

Motivation

The below provides insights into GHO's recent performance.

Circulating Supply of GHO has been contracting since late November 2024.

Staked GHO has been in decline from 120.5M to 101.3M between 8th to 26th December 2024.

GHO within DEX liquidity pools peaked early December 2024. Meanwhile overall AUM in DEX liquidity pools has reduced from 38.3M to 32.4M between 8th to 26th December.

The composition of the 3pool on Balancer has improved with the composition of GHO reducing from 72.0% to 47.6% between 8th to 26th December.

A new Boosted Pool was deployed recently on Maverick v2 and contains a 1.46M buy wall supporting GHO's peg.

GHO's Borrow Rate exceeds that of USDC and USDT on the Core instance of Aave v3.

The data is smoothed using a 7 daily moving average.

There are 1.6M USDT in the GSM and minimal USDC.

Recommendation

Observing continued outflows from stkGHO and reduction in GHO circulating supply due to debt being repaid, we recommend reducing the Borrow Rate for GHO on the Core instance of Aave by 1.00%. This proposal is supported by the GHO Stewards.

Specification

The GHO borrow rate is to be revised as follows:

Description

Current

Proposed

Change

Borrow Rate

14.50%

13.50%

-1.00%

This proposal is to be implemented by the GHO Stewards.

Disclosure

TokenLogic does not receive any payment for this proposal.

Next Steps

1. Using the Direct-to-AIP process, the GHO Stewards will implement this proposal.

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