

# Summary

A proposal to increase the following caps on V3 Scroll:

- WETH - Borrow cap
- wstETH - Supply Cap

## Motivation

The supply caps for wstETH and WETH on V3 Scroll are currently at 100% utilization, with the WETH borrow cap additionally at 100%.

As the Scroll deployment only recently launched and has limited historical data and usage, we do not utilize our stress testing methodology for this set of recommendations. Instead, we utilized our previous interim supply cap methodology, found [here](#).

Given the current usage across the deployment and liquidity on Scroll, we support increasing the wstETH supply cap from 520 to 700, and the WETH borrow cap from 400 to 600. However, given the current on-chain WETH circulating supply on Scroll is just [1,540](#), we do not recommend increasing the WETH supply cap, following our approach of setting the supply cap of assets at no more than 50% of their on-chain circulating supply. The ensuing parameter changes will result in a WETH borrow cap value aligned with the Uoptimal threshold per the WETH supply cap.

## User Analysis

### USDC

Two users are currently supplying nearly 100% of the total supply. Both are not borrowing against their collateral.

1. [0x1e4c8489F9d876293C36b730107E89e0F2a0CB04](#) - supplying 500K USDC, with no borrows against it.
2. [0x65a9d341bdf21d5af7f91d8b2c710ed5aedef4ca6](#) - supplying 456K USDC, with no borrows against it.

### wstETH

Three users are supplying over 85% of the total wstETH, with the top two utilizing as collateral to borrow WETH in e-mode.

1. [0x1DC6074361a3cddEe55A61C92BCf7dE1667e1096](#) - supplying ~208 wstETH to borrow ~218 WETH
2. [0xecc0e46f64458ae70dca30e298d20e3c993d9541](#) - supplying ~130 wstETH to borrow ~135 WETH.
3. [0x4ef83c71eeb0db578bc74b30aa570873bfcfeae1](#) - supplying 100 wstETH, with no borrows against it.

### WETH

Two users currently borrow over 90% of the total borrowed WETH, both collateralized by wstETH in e-mode.

1. [0xecc0e46f64458ae70dca30e298d20e3c993d9541](#) - borrowing ~135 WETH against his ~130 wstETH collateral
2. [0x1DC6074361a3cddEe55A61C92BCf7dE1667e1096](#) - borrowing ~218 WETH against his ~208 wstETH collateral

On the flip side, the majority of WETH [suppliers](#) utilize their collateral to borrow USDC.

## Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Scroll

WETH

750

no change

400

600

Scroll

wstETH

520

700

45

No Change

## Next Steps

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

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