

January 2024

Summary

Sharing a recap of Gauntlet's market risk management work with Aave in January 2024. See below for this past month's work summary and a preview of what's coming up in February 2024.

Highlights

- Risk analysis and initial parameter recommendations for [Scroll](#), [Polygon zkEVM](#), and [BNB](#)
- [Risk Steward Phase 2 recommendations](#)
- [Recommendation to freeze and set LTV to 0 on low-cap Aave v3 Polygon collateral assets](#)
- Continuous community discussion on [GHO Stability and Peg Community Plan](#)
- Implementation in progress for Lever B of the [Synchronicity Price Adapter "Killswitch" Functionality for LST Emode](#) in collaboration with BGD

Category

Work Completed

Commentary

Quantitative Research

Continuous community discussion on the [GHO Stability and Peg Community Plan](#)

Implementation in progress for Lever B of the [Synchronicity Price Adapter "Killswitch" Functionality for LST Emode](#) in collaboration with BGD

With extensive research and analysis on stablecoin peg, Gauntlet hopes to help formalize the community discussion around strengthening the GHO peg and organize it into its core components with actionable items with the GHO stability plan.

After months of research and development, the approval of Killswitch Functionality for LST Emode shows the community's collaborative efforts to continuously innovate Aave in risk management.

Recommendations

[Scroll risk analysis and initial parameter recommendations](#)

[Polygon zkEVM risk analysis and initial parameter recommendations](#)

[BNB initial parameter recommendations](#)

[Recommendation for MAI/MIMATIC deprecation phase 2](#)

[Supply cap recommendation for cbETH in V3 Base](#)

[Recommendation to freeze and set LTV to 0 on low-cap Aave v3 Polygon collateral assets](#)

[USDT Cap Recommendation on V3 Ethereum](#)

[Deprecation Aave V2 AMM Market Phase 2](#)

[Increase WETH reserve factor on V3 Ethereum](#)

[wstETH Supply Cap Increase on Ethereum V3](#)

Daily risk simulations and stress tests

Risk Modeling

[Increase caps for BAL, SNX, LINK, MaticX on V3 Ethereum and Arbitrum](#)

[Increase caps for USDT and FXS on V3 Ethereum](#)

[Increase caps for USDC and ARB on V3 Arbitrum](#)

[Increase caps for SNX, ENS, 1INCH on V3 Ethereum](#)

[PYUSD onboarding parameter recommendations on V3 Ethereum](#)

[stETH and WETH risk parameter recommendations](#)

[Analysis on BGD correlated-asset price oracle \(CAPO\)](#)

[fdUSD risk analysis and initial parameter recommendations](#)

[sFRAX risk analysis and initial parameter recommendations](#)

[Risk Steward Phase 2 recommendations](#)

[MaticX supply cap recommendations](#)

[Metis onboarding parameter recommendations on V3 Metis](#)

Firefighting during unique market stress events. Risk modeling to provide insight into the risk/reward tradeoffs of Aave initiatives

Risk Monitoring and Alerting

Following the [Aave V2 Markets Deprecation Plan](#), executed [V2 Ethereum LT Reductions 1/30/2024](#) and [V2 Ethereum LT Reductions 1/2/2024](#)

Continuous Aave market updates in [Telegram Channel](#), open to the public, for alerts from Gauntlet's monitoring platform

Gauntlet's risk monitoring platform alerts the community of risk updates

Feature Upgrades

Launched the [Aave v3 BNB Dashboard](#) and [v3 Scroll Dashboard](#)

[Weekly V3 Ethereum Market Update](#)

[Weekly V3 Polygon Market Update](#)

[Weekly V3 Arbitrum Market Update](#)

[Weekly V3 Optimism Market Update](#)

[Stablecoin IR Curves Update](#)

Gauntlet continuously upgrades its product offering

Upcoming Selected Work

- Continuous analysis and recommendations for the [Aave V2 Markets Deprecation Plan](#)
- Implement Lever B of Synchronicity Price Adapter "Killswitch" Functionality for LST Emode
- Provide risk analysis on Aave's launches across chains
- Continuously monitor and increase supply caps if recommended via the Risk Steward process
- Continue support of community initiatives and market alerts

We are happy to answer any questions or hear any feedback - feel free to comment below.