title: [ARFC] Supply Cap - stMATIC Polygon

author: @TokenLogic

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Summary

This publication proposes increasing the stMATIC Supply Cap on Polygon from 40.0M to 57M units. This is equivalent to 75% of supply on the Polygon network.

Motivation

Demand for stMATIC continue to steadily grow over time and this proposal seeks to increase the Supply Cap, enabling Aave to continue growing TVL through stMATIC deposits and revenue from users who borrow wMATIC.

The utilisation of the stMATIC reserve has reached 94.31% and this publication proposes increasing the SupplyCap by a further 42.54% to 57M units.

The Polygon Foundation is currently providing stMATIC and MaticX rewards to users who borrow wMATIC. This supplements the borrow costs of wMATIC and enhances the yield on the yield maximising strategy.

Outside of Aave Protocol, incentives are provided at the strategy level with a number of integrations being advanced by other teams built on top of Aave using stMATIC as a yield source.

Specification

The following risk parameters changes are presented:

Polygon

Ticker: stMATIC

Contract: [0x3a58a54c066fdc0f2d55fc9c89f0415c92ebf3c4

](https://polygonscan.com/address/0x3a58a54c066fdc0f2d55fc9c89f0415c92ebf3c4)

Parameter

Current Value

Proposed Value

SupplyCap

40,000,000M units

57,000,000 units

This is equivalent to 75% of stMATIC supply on Polygon.

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