Summary

A proposal to increase the following caps on V3 Scroll:

- WETH - Supply and Borrow cap

- wstETH - Supply Cap

Motivation

The supply cap for wstETH on V3 Scroll is currently at 100% utilization, and the supply and borrow caps of WETH are at ~97% and ~86%, respectively.

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, which can be found here.

Given the current usage across the deployment and liquidity on Scroll, we support doubling the wstETH supply cap and the WETH Borrow cap. For WETH, we recommend setting the supply cap at 750, following our approach of setting the supply cap of assets at no more than 50% of their onchain circulating supply and considering the current total circulating supply of WETH on Scroll is 1,500.

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. 0x65a9d341bdf21d5af7f91d8b2c710ed5aedf4ca6 - supplying 456K USDC, with no borrows against it.

wstETH

Two users are currently supplying over 88% of the total wstETH.

1. 0xecc0e46f64458ae70dca30e298d20e3c993d9541 - supplying ~130 wstETH to borrow ~140 WETH.

2. 0x4ef83c71eeb0db578bc74b30aa570873bfcfeae1 - supplying 100 wstETH, with no borrows against it.

WETH

A single user is currently borrowing over 78% of the total borrowed WETH.

1. 0xecc0e46f64458ae70dca30e298d20e3c993d9541 - borrowing ~140 WETH against his ~130 wstETH collateral

Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Scroll

WETH

480

750

200

400

Scroll

wstETH

260

520

45

No Change

Next Steps

Once we receive feedback from [@Gauntlet](#) on the above recommendations, we will move forward to implement these updates via the Risk Steward process.

Please note that given the 5-day timelock between risk steward transactions, the earliest this proposal can be executed is Wednesday, February 21st.

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