

Summary

A proposal to increase the supply cap for WETH and METIS on Aave V3 Metis.

Motivation

The supply cap for WETH and METIS on Metis is currently at 100% utilization.

As the Metis deployment is relatively new with limited historical data and usage, we do not utilize our stress testing methodology for this set of recommendations. Instead, we utilized our previous supply cap methodology, which can be found [here](#).

WETH

Despite this methodology being more conservative, it still permits the increase of the supply cap in light of the current DEX liquidity for WETH, which has seen growth since Aave's initial launch on Metis, including the added liquidity in the [Maia Uni V3](#) pools.

We recommend increasing the cap by 2X to 100 WETH.

We would like to point out that currently, there is only one [account](#) supplying WETH on Metis, with its current health factor at 1.15. We will continue monitoring usage patterns following the coming cap increase.

METIS

For Metis, as it is a non-collateral asset, we recommend increasing the supply cap by 2X to 15,000.

Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Metis

WETH

50

100

30

60

Metis

METIS

7,500

15,000

4,000

No Change

Next Steps

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