

# Summary

A proposal to:

- increase EURE's supply and borrow caps on Gnosis

## Motivation

The following recommendations were made using Chaos' supply and borrow cap methodologies after analyzing user positions for the asset.

### EURE

The supply and borrow caps for EURE on Gnosis V3 are currently at 82% and 44%, respectively.

Both total supply and borrowing have grown significantly in the past month.

The community has previously agreed to allow supply caps for stablecoins to be set at up to 75% of the circulating supply on a given chain; EURE's current circulating supply on Gnosis is 8.4M.

## Supply Distribution

78% of the supplied EURE is supplied by a single [user](#), tagged as the Gnosis DAO treasury.

EURE cannot be used as collateral, thus does not pose a risk of liquidations.

## Borrow Distribution

Borrows of EURE are well distributed, with the top [user](#) borrowing 400K EURE against 4.2M sDAI collateral, for a health score of 8.28.

sDAI is the most common collateral asset for EURE, followed by wstETH and WETH. The latter two are at risk of liquidation in the event that ETH's price falls. However, this does not pose a risk to the EURE market.

## Recommendation

Considering the current liquidity and user positions on Gnosis, we recommend increasing the supply cap to 6M EURE and the borrow cap to 5.6M EURE.

# Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Gnosis

EURE

3,000,000

6,000,000

2,800,000

5,600,000

## Next Steps

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

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