Summary

A proposal to increase the supply cap for wstETH on Aave V3 Ethereum and Arbitrum.

Motivation

The supply cap for wstETH on Ethereum and Arbitrum is currently at 100% utilization.

Following our supply and borrow cap methodology, and our analysis here for wstETH on Arbitrum, we recommend increasing wstETH on Ethereum from 300K to 450K and on Arbitrum for 18.75K to 30K.

Specification

Chain	Asset	Current Supply Cap	Recommended Supply Cap	Current Borrow Cap	Recommended Borrow Cap
Ethereum	wstETH	300,000	450,000	12,000	No Change
Arbitrum	wstETH	18,750	30,000	800	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.