

Summary

A proposal to increase:

- Supply and Borrow cap for RPL on Aave V3 Ethereum.
- Supply and Borrow cap for wstETH on Aave V3 Ethereum.
- Borrow Cap for wstETH on Aave V3 Arbitrum.
- Supply cap for LUSD on Aave V3 Arbitrum.
- Supply cap for LINK on Aave V3 Arbitrum
- Borrow Cap for cbETH on Aave V3 Base.

Motivation

The recommendations below were made utilizing Chaos' supply and borrow cap methodologies and after analyzing user positions for each asset.

RPL (Ethereum)

The supply and borrow cap for RPL on V3 Ethereum are currently at 100% and 74% utilization, respectively.

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As RPL is listed as a non-collateral asset, we recommend doubling the current supply cap to 420K RPL. Given the current borrow cap utilization, we recommend increasing the cap to 160K.

wstETH (Ethereum)

The supply and borrow cap for wstETH on Ethereum are currently at 91% and 96% utilization, respectively.

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We recommend increasing the supply cap to 750K and doubling the borrow cap to 24K.

LUSD (Arbitrum)

The supply cap for LUSD on Ethereum is currently at 96% utilization.

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The total circulating supply of LUSD on Arbitrum is currently 2.3M. As LUSD is not utilized as collateral, we currently recommend capping the supply at 60% of the total on chain circulating supply. As We recommend doubling the cap from 900K to 1.4M

wstETH (Arbitrum)

The borrow cap for wstETH on Arbitrum is currently at 91% utilization.

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We recommend doubling the cap from 800 to 1,600 wstETH

cbETH (Base)

The borrow cap for cbETH on Base is currently at 91% utilization.

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We recommend doubling the cap from 100 to 200 cbETH

Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Ethereum

RPL

210,000

420,000

105,000

160,000

Ethereum

wstETH

600,000

750,000

12,000

24,000

Arbitrum

LUSD

900,000

1,400,000
900,000
No Change
Arbitrum
LINK
810,000
1,300,000
242,250
No Change
Arbitrum
wstETH
45,000
No Change
800
1,600
Base
cbETH
1,000
No Change
100
200

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.