The recent Mango market exploit has brought to the forefront of the DeFi community the risk of liquidity attacks on lending platforms. Here is a great Twitter thread from @joshua_j_jim showcasing how the user exploited Mango's low market liquidity to drain $100M from the Mango market. This liquidity attack reaffirms the high risk of oracle pricing manipulation for low liquidity assets.

Gauntlet is continuing to analyze Aave's V2 assets to measure the future risk of liquidity attacks and will follow up with an analysis of V3 markets. We will assess the risk of a liquidity attack for each asset and the potential impact on Aave's solvency and will share findings on this thread. Gauntlet may recommend configuration changes to certain assets to reduce risk to the platform.

We welcome further discussions and feedback from the community.