

## Summary:

Gauntlet recommends increasing supply and borrow caps for the following assets that have utilization rate of above 75%.

Asset

Chain ID

Current Supply Cap

New Supply Cap

Current Borrow Cap

New Borrow Cap

USDT

Ethereum

600,000,000

No Change

500,000,000

550,000,000

wstETH

Polygon

4,370

No Change

285

570

wstETH

Arbitrum

55,000

60,000

2,400

No Change

## Motivation:

Gauntlet proposes to increase supply/borrow caps for the assets below in order to meet the increasing demand.

## Specifications:

### USDT on Ethereum Aave v3

We propose an increase in Borrow cap for USDT by 10% in line within our borrow/supply cap framework which considers tokens needed to break-even for a long attack as well as overall circulating supply

Asset

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New Supply Cap

Current Borrow Cap

New Borrow Cap

USDT

Ethereum

600,000,000

No Change

500,000,000

550,000,000

### **wstETH on Polygon Aave v3**

We do not propose an increase in supply cap for wstETH on polygon. The current cap at 4,370 already accounts for 67% of circulating supply on Polygon and might lead to increased concentration risk. Furthermore, the 25% liquidity depth doesn't scale well with increase in supply caps. However, we recommend increasing the borrow cap to 570.

Asset

Chain ID

Current Supply Cap

New Supply Cap

Current Borrow Cap

New Borrow Cap

wstETH

Polygon

4,370

No Change

285

570

### **wstETH on Arbitrum Aave v3**

We propose an increase in Supply cap for wstETH on Arbitrum to 60,000 based on on-chain circulating supply and cross-chain liquidity.

Asset

Chain ID

Current Supply Cap

New Supply Cap

Current Borrow Cap

New Borrow Cap

wstETH

Arbitrum

55,000

60,000

2,400

No Change

## **Next Steps**

Once we receive feedback from [@ChaosLabs](#) on the above recommendations, we will move forward with Risk Steward actions.