

Summary

A proposal to increase:

- USDC — Supply and Borrow Cap

Motivation

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

USDC

The supply cap for USDC on Optimism V3 is currently at 87% utilization, while the borrow cap utilization stands at 91%.

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The recent increase in supply and borrow can be attributed to the [OP rewards](#) distributed to native USDC suppliers as part of the efforts to migrate users from USDC.e to native USDC

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Considering the liquidity on Optimism and the composition of supply and borrows, we recommend doubling the supply and borrow caps to 50M and 40M, respectively.

Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Optimism

USDC

25,000,000

50,000,000

20,000,000

40,000,000

Next Steps

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

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