

title: [ARFC] [ARFC] increase supply cap for wstETH Aave arbitrum V3

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Summary

wstETH is a decentralized liquid staking derivative minted by Lido.

wstETH is minted by Lido when users stake ETH.

For more information about wstETH, please refer to [wstETH Arbitrum V3 ARC](#).

This ARFC presents the Aave governance with the opportunity to increase the wstETH supply cap on the Aave V3 Arbitrum market.

Abstract

This ARFC proposes to increase the wstETH Supply cap to 2400 wstETH to reflect market demand for depositing this asset.

Motivation

wstETH has reached approximately 95% of its supply cap on Aave V3 Arbitrum.

Increasing this supply cap will enable new Aave users to utilize Aave V3 and allow current users to increase the size of their positions.

The proposed increase is set at a level that allows the market to find a new equilibrium while maintaining a conservative approach.

Additionally, it represents a 100% increase from the current cap, making this ARFC compliant with the “direct-to-AIP” framework and enabling a rapid response to the current high demand for wstETH on Aave.

Specification

Ticker: wstETH (wstETH)

Contract Address: 0x5979d7b546e38e414f7e9822514be443a4800529

Parameter

Current

Proposed

Supply Cap

1200

2400

Disclaimer

The Aave-Chan Initiative is not affiliated with or paid by Lido to publish this ARFC.

The ACI supports LSD diversity as part of its delegate platform.

At the time of writing, Marc Zeller, the founder of ACI, holds a significant amount of wstETH on the Aave V3 Ethereum Pool, worth approximately \$1.1 million.

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