

title: [ARFC] TokenLogic GHO Stewards - GHO Borrow Cap Update 01/28

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Summary

This publication proposes increasing the GHO Borrow Cap on Core by 5M, from 160M to 165M, by the GHO Stewards.

Motivation

In light of prevailing market conditions, GHO continues to grow steadily with the 160M borrow cap reached on 2025-01-27. With the composition of GHO within DEX liquidity pools increasing, this publication proposes a modest 5M borrow cap increase.

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Screenshot 2025-01-28 at 20.50.10

1391×695 24.3 KB

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USDC and USDT borrow rates are trending lower with utilisation of both reserves on Core being sub 80%. The relative discount is narrowing, currently 14% for USDT.

The GSMs have experienced no meaningful outflows during this period, despite GHO being the cheapest debt option on the Core market, indicating the peg remains resilient.

The stkGHO continues to grow with consistent momentum, with over 68% of supply held in the stability module and TVL reaching an all-time high of 122.4M GHO staked. Additionally, the Spectra and Pendle pools initiatives have proven to be a powerful catalyst for growth.

Recommendation

We recommend increasing the GHO borrow cap by 5M to 160M.

The GSM's resilience, with a total size of 12.8M and no outflows, further reinforces the stability of the system.

The GHO Stewards will continue to closely monitor market conditions to evaluate the need for future adjustments.

Specification

The GHO Supply Cap is to be revised as follows:

Description

Current

Proposed

Change

Supply Cap

160M

165M

+5M

This proposal is to be implemented by the GHO Stewards.

Disclosure

TokenLogic does not receive any payment for this proposal.

Next Steps

The GHO Stewards will implement this proposal.

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