

Overview

Over the past 24 hours, MAI has experienced high volatility, with prices reaching a low of nearly 0.91\$. This turbulence is most likely attributed to the ongoing repercussions from the Multi Chain Fantom Bridge incident, where Fantom collateral assets used for minting MAI were compromised.

Given the current composition of MAI backing and Aave's exposure to MAI, we did not recommend any immediate emergency actions.

However, as the market continues to evolve, we propose a cautious strategy of limiting Aave's exposure to MAI. This can be achieved by implementing temporary actions such as reducing supply caps and debt ceilings across the various deployments. This approach could provide a safeguard against further potential disruptions while maintaining a balanced ecosystem. We will follow up with a separate ARFC with the proposed parameter updates.

MAI Exposure on Aave

MAI is listed in isolation mode on Aave V3 on Polygon, Arbitrum, Avalanche, and Optimism.

The following table provides a breakdown of the MAI parameters and their utilization across these deployments (please note that the data is accurate as of the time of this post)

Chain

Current supplied

Supply Cap

Current borrows

Borrow Cap

Utilization

Borrowed Against (\$)

Debt Ceiling (\$)

LT

Emode LT

Arbitrum

324,040

4,800,000

255,330

2,400,000

78%

88,350

1,200,000

80%

not in emode

Avalanche

17,750

700,000

8,776

460,000

49%

132
2,000,000
80%
97.5%
Optimism
643,670
7,600,000
525,360
2,500,000
82%
38,650
1,900,000
80%
not in emode
Polygon
906,240
2,200,000
699,660
1,200,000
77%
430,000
2,000,000
80%
95%
Overall
1,891,700
15,300,000
1,489,100
6,560,000
557,132
7,100,000

Liquidations

At this time, Aave experienced a total of 46 liquidation events, exclusively on Polygon, with a total value of ~\$48,000. All positions which were liquidated were E-Mode positions of MAI - USDC with no bad debt observed.