

# Summary

A proposal to increase MaticX Supply Caps on Polygon V3. The recommendations below were made utilizing Chaos' Supply Cap methodologies and after analyzing user positions for each asset.

## Motivation

The Supply Cap for MaticX on Polygon V3 is currently at 93% utilization, indicating heightened demand.

Utilizing our supply cap methodology, we have determined that the current state of the asset on Polygon allows for an increase in the Supply Cap of MaticX, to 82.5M.

## Borrow Distribution Analysis

There are currently a total of \$10M of non-MATIC-denominated assets borrowed against \$90M worth of MaticX on Aave Polygon V3.

Excluding Matic-denominated debt assets, the current percentage of debt against MaticX collateral stands at approximately 11%, representing an upward trend over the past year.

The increase in debt against MaticX collateral can be attributed to a single large and healthy position, accounting for 40% of the total supply. This position is responsible for backing 90% of all non-MATIC-denominated debt secured by MaticX.

Given the limited on-chain MATIC liquidity, the distribution of MaticX debt, and overall utilization on Aave, we propose a slight increase in the Supply Cap from 75M to 82.5M.

## Recommendations

## Next Steps

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

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