

Forum:[Hack Forums](#)

Thread: [USDC Lending MAXED out across all lending protocols on Sui - 70%+ Stable yields](#)

SUI-3183372 - November 7, 2025, 10:01 am

USDC borrowing is at MAXIMUM levels across ALL lending providers with insane rates:

Suilend:

- Utilization: 98.61%
- Supply APY: 70.23%
- Borrow APR: 88.99%

Navi:

- Utilization: 100%
- Supply APY: 88.13%
- Borrow APR: 107.40%

Bluefin:

- Utilization: 85%
- Supply APY: 80.00%
- Borrow APR: 93.61%

Nearly ALL available USDC to borrow across the entire SUI ecosystem is being borrowed right now, Scallop is the only exception with some strangeness going on with their rates.

Suppliers are earning 70-88% APY on USDC. That's absolutely bonkers for stable yields.

Generally you only see this sort of activity when something really big is cooking, whether that "something" is a good or bad thing is yet to be determined.

Thank you Bluefin for my 80% rates today.

Omniscient - November 7, 2025, 10:28 am

I've normally considered rates like this a trap. I won't be touching it. I don't see how it's sustainable.

SUI-3183372 - November 7, 2025, 10:48 am

(Nov 7, 2025 11:28 AM)Omniscient Wrote: [\[CITE\]](#) I've normally considered rates like this a trap. I won't be touching it. I don't see how it's sustainable.

The rates are coming directly from borrowers, not the protocols themselves. As demand drops, the rates will too, but the only reason why rates are currently this high is because others are currently willing to pay them. I doubt we see them >70% for more than a few days, but I do think this sets up a scenario where rates linger north of 20% for a few weeks. Don't think there's any major risks here if people want to hop into these protocols for a few days to capture these rates.

The real trap lies in the 100% utilization rates. If all of the USDC is being borrowed, then you can't withdraw your lent USDC until utilization rates drop back below 100%. If there's a large demand to withdraw lent USDC once utilization drops slightly, you may be competing with others for small chunks of withdrawable USDC. I don't view this as a risk, but an inconvenience (and only if you

need your USDC quickly for some reason).

I think the only real risk here, assuming you're ok with your USDC being put to work for a potentially extended period of time, is the event of USDC depegging from the dollar while you're in a position that you can't withdraw from immediately.

Hackers - November 7, 2025, 11:31 am

(Nov 7, 2025 11:48 AM)SUI-3183372 Wrote: [CITE](#) I think the only real risk here, assuming you're ok with your USDC being put to work for a potentially extended period of time, is the event of USDC depegging from the dollar while you're in a position that you can't withdraw from immediately. This seems like a pretty big concern for a 'stable coin'

It sounds like you have it figured out though, so I'm sure it's acceptable risk

It seems like the internet forgot how much USDT and USDC did to avoid having to hold plain ol' USD.

In a crisis event, I would be very concerned. They say they're 1:1 peg, but from what I understand many of these 100% match reserves are propped up by other volatile assets... That sounds super fucked in a worst case scenario where it's a race to sell.

Can they guarantee they are 1:1 even if they can't sell their other assets in a flash crash across the whole market?
They cannot

Same old story as we always hear...

As long as there isn't a run on the banks, the banks are solvent! yippeeeeeee

They should remove USD from USD-* stablecoins when they aren't a 100% reserve in USD.

Might as well call it USD-BTC-ETH-BLAH-BLAH-BLAH-T/C because only a certain % is in cash, but people don't always know about that risk until they look into it.

I understand what's legal and what can be done to maintain a peg... Just saying, it's pretty fucked up to call yourself a stablecoin when a network outage on a bad day would completely fuck the token

And if USDC or others fail, what will happen to rest of market that is backed by those loans?

Anyways, nothing new, this has been going on for many years. People flag this concern all the time, but unfortunately it's just not a concern to most people

There was a point in the past where if Tether fell, it could've wiped out multiple exchanges, or if not, really hurt the markets overall.

VOLATILE ASSETS --> PROP UP STABLE COIN --> USED IN LOANS FOR THE SAME VOLATILE ASSETS.

That's not economically sound tbh, but that's crypto lol

Even if there was more diversity, everything follows BTC anyways for the most part, so you can't even really reduce risk within the markets in that way.

The problem is that if you have a stablecoin that is propped up by volatile assets... And then people use that for loans to buy volatile assets...

In a worst case, the exchange has to sell the volatile assets to cover the margin on the depegged "stable coin". If this happens across the whole market, this can lower the volatile asset price even more, which further depegs the stable coins

It's not as risky as it was maybe 5+ years ago, but at one point there were very very very serious concerns that we could go into a downwards spiral because of how much stablecoins were being used in this exact type of setup without proper protections for this type of crisis.

SUI-3183372 - November 7, 2025, 4:30 pm

USDT is joining the party, starting to see 80%+ utilization rates across lending protocols and lending yields are ranging from 50-85% APY.

Still not sure what's causing this, but this comes on the heels of xUSD imploding for ~\$100m and deUSD being wound down as a result over on Ethereum. There's no direct contagion to these events on Sui, but there's a lot of strangeness in the stablecoin space this week as investors hedge risks and chase stablecoin opportunity far away from xUSD.

Omniscient - November 7, 2025, 5:51 pm

Did people move into stablecoins heavily because of down market hoping to buy back at lower rates?

I did some Suilend of USDC but it said 30% APR. I can't figure out these higher rates. Using Slush wallet.

SUI-3183372 - November 7, 2025, 6:17 pm

(Nov 7, 2025 06:51 PM)Omniscient Wrote: [\[CITE\]](#) Did people move into stablecoins heavily because of down market hoping to buy back at lower rates?

I did some Suilend of USDC but it said 30% APR. I can't figure out these higher rates. Using Slush wallet.

We're already starting to see things return to normal. Apparently this squeeze is occurring due to outflows from the Sui ecosystem after the Momentum launch earlier this week. Less USDC in these lending protocols meant those borrowing USDC were seeing their borrows comprising of larger and larger chunks of the remaining pool and their borrow rates start rising fast. Over the past few hours we've seen a large amount of people unwind their positions and stop borrowing stables, and we've also seen a lot of new USDT/USDC being lent, further bringing rates down.

Suilend has high, but relatively normal borrow and supply APR's now for both USDC and USDT.

USDC Borrow: 30%

USDC Lend: 25.9%

USDT Borrow: 14.4%

USDT Lend: 14.2%

AlphaLend has high, but relatively normal borrow and supply APR's now for USDC, but still abnormally high rates for USDT.

USDC Borrow: 16.67%

USDC Lend: 18.6%

USDT Borrow: 90.3%

USDT Lend: 80%

Navi protocol has abnormally high rates for both USDC and USDT still.

USDC Borrow: 104.3%

USDC Lend: 85.7%

USDT Borrow: 69.5%

USDT Lend: 56%

Omniscient - November 7, 2025, 6:26 pm

okay that explains it, I tested suilend before, was a good experience, when I get more time this week I might do another lend with my sui usdc

nelz - November 8, 2025, 2:04 am

I will have to look into these. These days I usually buy stables then exchange when I'm going to spend it. Usually this means I'm holding stables for several weeks before spending it. Might as well put it to work as opposed to it sitting there haha.

Braco22 - November 8, 2025, 3:51 am

(Nov 7, 2025 07:26 PM)Omniscient Wrote: [\[CITE\]](#) okay that explains it, I tested suilend before, was a good experience, when I get more time this week I might do another lend with my sui usdc I am using Suilend for the past 5-6 months, works flawlessly and I got once liquidated on my loans, but they do partial liquidations.

DragonModded - November 10, 2025, 12:10 pm

i think theres a few youtube channels out there that have documented the market manipulation which has led to these kinds of insane borrowing activities and a big crash is coming soon since the stability comes from somewhere and they cant just keep giving away free usdc, someone has to pay, its unsustainable that the PC is getting away with the activity that its pulling and all lenders will pay big soon because of the PC