

Late Thursday and very early Friday, Edmonton's Shout Out Out Out Out served noticed that, in the Badlands, punk is on the dancefloor.

First, a note about that venue: Beauty Bar Backyard, a tent at the raw end of an alley north of 6th Street, had exactly the right fringe/claustrophobic/party vibe to suit these dance vandals and their simultaneously robo/human sound. Now about that sound: bristling, fibrous, throbbing, gleefully aggressive, and charged with as much sweat as technology. With any number of drums, basses, synths and one vocoder somehow providing the late-night soul in the machine, SO4 pushed a party-mad crowd into the redzone past midnight. With names like Whitey Houston and Snarf, the line-up is best left to some clever PR mythmaker's imagination. What is certain is that by the time rapper Cadence Weapon joined the cyborg onstage towards the giddy end of the set, the crowded tent had achieved liftoff. And thanks to the collision of cliques and subcultures that is SXSW, that meant a crowd of rock freaks as well as dance bunnies.

"On the way to South By Southwest, ah seen peninsulas in Arkansas," said MC Tim Fite in a packed Cedar Street Courtyard. "Now I'm gonna see Islands in Texas!" Islands are forever, they say, and the Montreal group certainly plays with an endless horizon in view: this is indie pop at its most epic and baroque. Take, for example, an opening number Thursday night that might have been alt-country if, you know, it just wasn't. With two violins mightily sawing behind him, singer Nick (Diamonds) Thorburn – who was either wearing whiteface or enjoying his own personal vampire weeknight – led the song through its muscular, confident undulations while freaks you'd normally see at a Mars Volta show leaned over the upper rear balcony to get a better look. In fact, this music could fall under the progressive jam/rock banner, even though Islands are obviously very serious about their sardonic pop affections. Great indie-pop hair, too.

Armed – if that isn't too harsh a word – with a big red hollow-body guitar, two mics and a beatbox, Rebekah Higgs cut an unlikely figure in the Velveeta Room. Cascading blonde hair and librarian glasses said "east coast folkie", but the sorceress voice and haunting ambience of her songs meant this girl was up to something more subtly ambitious. This is dreamy folktronica with a thoroughly conceptual foundation – meaning that, rather than abandon the gauzy sound of her album to the studio, Higgs worked out the minimalist but effective staging details to bring the sound of her record to Texas. Weaving harmonies with deft use of that beatbox and singing harmonies with herself, she turned Therapist and the gorgeous and aching Wedding One into set pieces. There is enough Bjork and Feist in her music to get this Nova Scotia girl noticed. So, figure this: two sets of siblings from the great plains of Saskatchewan, or more likely, its sweaty rehearsal spaces. The Blood Lines' sound – as one might have projected from the genetic make-up of a brother/brother, brother/sister band – has the fused weight and power of a family affair. Modern Science is a genuinely great song, and the walloping music upstairs in the Blind Pig was arena-sized and tent-roof-elevating. There was muscle here from S.J. Kardash's

immense bass sound, sinew from sister Maygen Kardash's keyboards, and a '70s/'00s attack from the guitar and drums of Paul and Barrett Ross. They've been compared to Deep Purple and the Smashing Pumpkins. We heard more Neil Young and Pink Floyd than that. Big names, those comparisons predict a big future.

It's a scene, it's a sound, it's a brand: M For Montreal has a home in Austin at Maggie Mae's on 6th Street, where the payoff for several years of hard work and consistency is evident: fans were drawn by name recognition (Martha Wainwright), the hot young thing (Mission District) and simply because 'Montreal' has itself become a guarantee of diversity, depth and invention.

Caroline Keating was in tough on the ground floor at Maggie Mae's, what with the explosive volume of the band on the second floor, but showed the kind of poise and idiosyncratic melancholy behind her piano that put Regina Spektor on the radar. In an entirely different register – the '00s are the '80s with better technology (and hair): Discuss. Led by singer David Rancourt, Mission District are making waves with the electropop NRG sound of So Over You.

And Martha Wainwright? Martha Was Martha. If there is a stronger, deeper, fuller singer-songwriter working today... but then, there isn't. Where too many sound as though they're writing about the divorce before the first date is over, Wainwright radiates experience. And yet, for someone who often writes from the heartsore end of the relationship trajectory, Wainwright was never less than life-affirming Thursday night, fronting an assured band. In a world of daisies, Wainwright remains a rose: petals, perfume and thorns.

M for Montreal continues tonight (Friday) with more than just another impressive array of performers: Katie Moore, Krief, Torngat, Plants and Animals, Nadja and Creature. Organizers will also solve the Great Poutine Mystery by serving up a Quebec fast-food that seems perfectly designed for Texan appetites. A steaming bowl of French fries smothered in gravy and cheese curds, it has been known to make grown cardiologists weep.