

Let's get it started (out there)

By Warren Lovely, Taylor Schleich & Ethan Currie

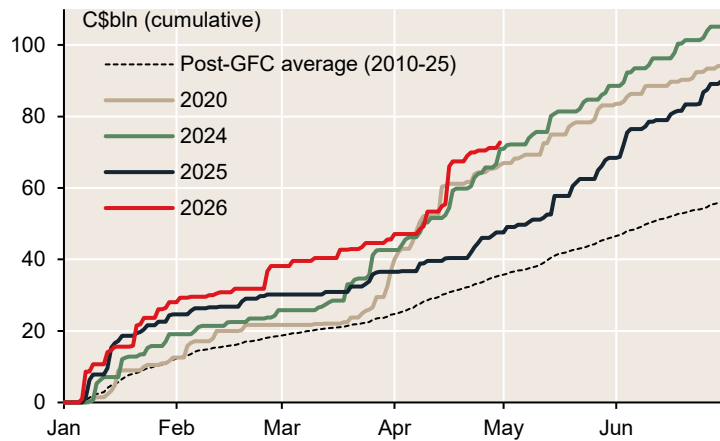
Having closed the books on April yesterday, this brief *Market View* keys in on provincial supply dynamics through the first four months of the calendar year and through the first month of 2026-27.

Through April, provinces collectively remain on a record-setting borrowing pace, with \$72.7 billion (CAD equivalent) having been issued in 2026. This wouldn't have been accomplished without a major assist from international markets. Nearly half of the year-to-date bond supply has been directed abroad, far more than usual (in absolute or relative terms). April exemplified this foreign push as the \$14.3 billion issued outside Canada was unprecedented, eclipsing the high watermark established in Jan-26.

This record lift came via just five trades, from four issuers, in three foreign currencies (USD, EUR, CHF). Canadian dollar proceeds on April's five trades averaged \$2.9 billion versus an average domestic deal size of \$750 million. International deals can require a bit of a give on weighted average duration of course, but these have allowed key provinces to get out of borrowing blocks very quickly.

Chart 1: Provinces coming hot out of the gate...

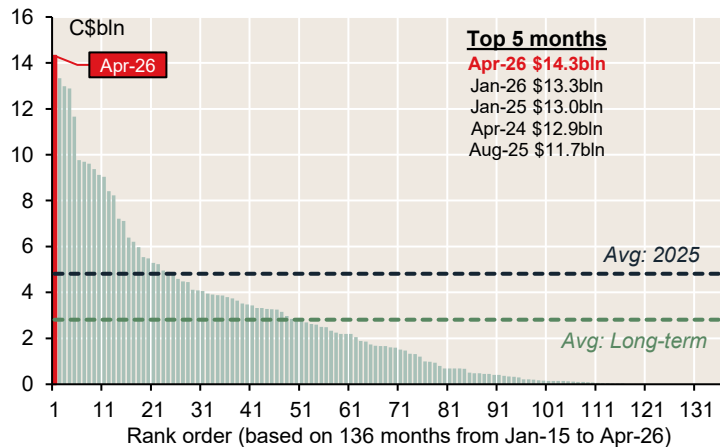
Progression of cumulative provi bond issuance: 2020, 2024-26 & post-GFC trend



Source: NBC, BBG

Chart 3: Apr-26 was a record month of foreign issuance...

Foreign currency provincial bond supply: Monthly rank order (2015-26)



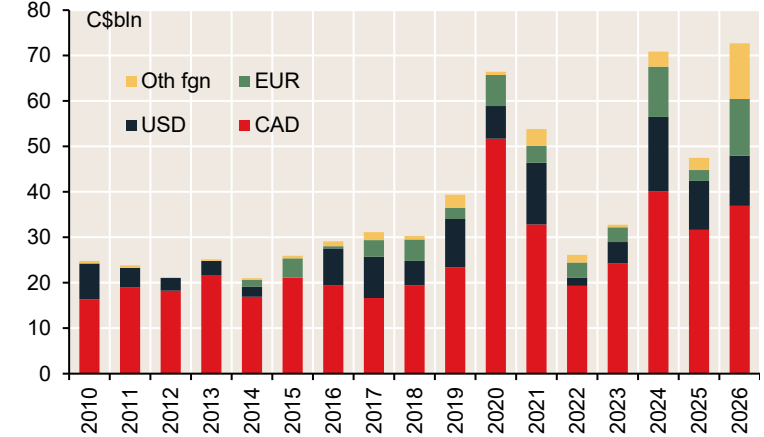
Source: NBC, BBG | Note: Long-term refers to last 120 months (10 years)

Despite the foreign currency supply surge, Canada is still the home market. And here we've observed a notable and perhaps temporary shift in where bonds are being placed on the curve. Through April, the average term of CAD supply shortened to 13.5 years in 2026 from 15.6 years at this point in 2025, presumably in response to investor demand (duration anxiety in a higher inflation environment perhaps?). Longer-term coupons have also stepped up, which might impact issuer appetite for new 30-year paper. The shorter duration funding model currently on display doesn't necessarily upend maturity profiles (too much), given the long-term nature of the debt stock. All that earlier longer-term supply was (in essence) an insurance policy and provides significant flexibility to ride out an inflation scare that might dampen enthusiasm for long-term debt.

As our borrowing status table will show you (Table, page 2), provinces already have over 20% of their 2026-27 requirement done just 8% of the way through the fiscal year (Apr-26 to Mar-27). Giddy up! And it would seem that oil-levered provinces are seeing their cash needs melt away, with crude blowing away official planning assumptions. Quarterly updates from these provinces are going to be something to behold.

Chart 2: ... leaning on foreign markets more than usual

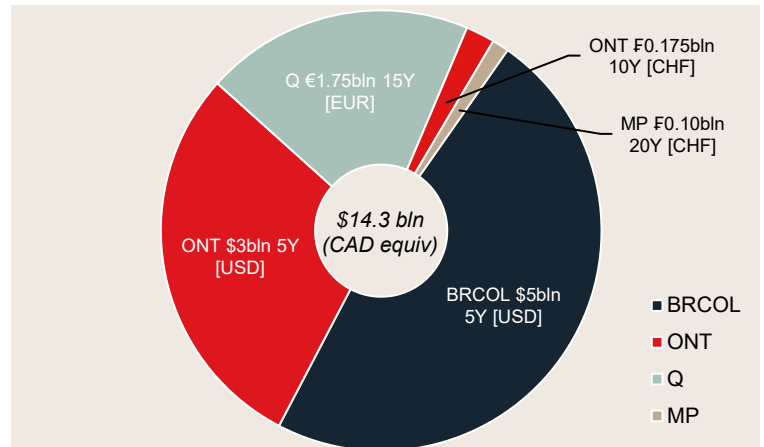
Gross provincial issuance by currency of issue: Calendar YTD (Jan-Apr)



Source: NBC, BBG

Chart 4: ... driven by 5 trades, 4 issuers, 3 currencies

Distribution of Apr-26 foreign currency provincial bond supply by deal



Source: NBC, BBG

**Table: A month into 2026-27, a fifth of the aggregate provincial borrowing program is complete**

NBC provincial borrowing program update: 2026-27 fiscal year (April 2026 to March 2027) | As at 1-May-26

Province / Agency	Ticker	Completed	Required ^a	Required ^a	Completed ^c	Domestic	Foreign	Remaining	Funded Status
		C\$bln 2025-26	C\$bln 2026-27	~C\$/per capita ^b 2026-27	C\$bln 2026-27	% 2026-27	% 2026-27	C\$bln 2026-27	% 2026-27
British Columbia ^d	BRCOL	31.42	34.91	6,200	7.62	10%	90%	27.29	22%
Alberta	ALTA	10.79	15.70	3,100	1.00	100%	0%	14.70	6%
Saskatchewan	SCDA	5.05	4.84	3,800	1.35	81%	19%	3.48	28%
Manitoba ^e	MP	6.19	4.18	2,800	0.62	65%	35%	3.56	15%
Ontario ^f	ONT	59.58	47.20	2,900	9.86	56%	44%	37.34	21%
Québec ^g	Q	32.01	26.22	3,900	7.33	61%	39%	18.89	28%
Hydro-Québec ^h	QHEL	6.25	9.00		4.10	100%	0%	4.90	46%
New Brunswick ⁱ	NBRNS	3.62	4.34	5,000	0.50	100%	0%	3.84	12%
Nova Scotia	NS	3.00	3.39	3,100	0.40	100%	0%	2.99	12%
Prince Edward Island	PRINCE	1.00	0.90	4,900	0.00	--	--	0.90	0%
Newfoundland & Labrador ^j	NF	4.11	3.90	7,100	0.00	--	--	3.90	0%
TOTAL		163.0	154.6	3,700	32.8	56%	44%	121.8	21%

% FY elapsed: 8%

Source: NBC, BBG, prov gov't's, StatCan | Notes: a) Long-term gross funding requirement based on latest available official estimates; includes capital needs, loans/advances, other cash adjustments & refinancings; requirements generally exclude pre-funding for future years (with some exceptions); b) Per capita requirement is rounded & based on 2026:Q1 population estimates from StatCan; c) Funds borrowed to date, based on known issuance; d) Budget requirement refers to gross borrowing from all sources; e) Budget requirement includes \$0.4bln in pre-funding for fiscal 2027-28; f) Includes requirement for certain hydro-related financing under province's banner; g) Includes requirement for Financement-Québec; h) Funds in own name with explicit provincial guarantee; fiscal year is January – December; i) Includes requirements for NB Power & NB Municipal Finance Corp.; j) Includes requirement for N&L Hydro.



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