

Commentary: Sean Morgan-Jones

Reflections on JP Morgan

2026 was the fifth year that I accepted an offer from *MedNous* to prepare a commentary on the annual JP Morgan Healthcare Conference in San Francisco, US – this time from 12 to 15 January. My mandate was to give a personal perspective on the meeting, taking into account my job as a recruitment executive.

Without a doubt, all roads lead to San Francisco for life sciences executives and the myriad ecosystem of service providers who support this industry, including researchers, drug developers, lawyers, and financial intermediaries. It is important to remember that the life science industry provides massive support to science, innovation and public health. According to at least one economist, the industry contributed more than \$2 trillion to global GDP in 2022. This accounted for 75 million jobs globally that same year.

The traditional home for JPM is the Westin St. Francis Hotel on Powell Street where the leviathans of biotech and big pharma can be seen milling around the pavements, running from meeting to meeting before stopping to brief investors on their companies' financial results and forecasts for the year ahead. The first day of the conference has traditionally been a time for major announcements on plans for mergers and acquisitions or initial public share offerings. This year the silence was deafening.

The streets around the Westin and other key venues like the Marriot Marques and Hilton were unusually quiet compared with previous years in which the typical conference-goer had to stand four lines deep to cross any intersection. In years' past, the main lobby of the Hilton hotel resembled the trading floor of the London Metals Exchange, a cacophony of noise and standing room only. This year it was much quieter and you could actually find a place to sit, which had never been the case before.

Without wishing to be too Darwinian, I wonder if we were seeing the process of natural selection and survival of the fittest play out on the streets of the city: fewer people and companies, but a flight to quality in terms of science, the clinical data supporting trials, and a clearer focus on addressing markets with clear unmet medical need.

As an advisor to Biotech Showcase, a conference taking place in parallel to the main JPM event, I introduced and moderated pitches by chief executives to investors during the week. There was no shortage of good science on the part of developers or interest from investors. At the same time everyone was aware that the geopolitical situation was changing. The market dynamics may not be the same going forward as they have been in the past.

All roads lead East

The rise of China as a leading life science innovator and major player on the world stage is an important, and perhaps industry-defining, trend for the future of medicine. JPM was no longer just about America. Going forward, it is about Chinese industry participating in multi-billion dollar deals

and driving innovation. This is particularly true in oncology and neuroscience and for technologies such as bispecific antibodies and antibody-drug conjugates. Inevitably this has an impact on the choices that venture capital firms are making for the future. One uplift for the US industry was the announcement by Aktis Oncology Inc on 13 January of an IPO to support its radiopharmaceutical portfolio. Effective 13 January, the estimated close was valued at \$365.4 million.

With many large companies facing patent expiries, the need for new assets is acute. Many companies are stepping up to the challenge as illustrated by Novartis' announcement in late 2025 that it will pay \$12 billion in cash for Avidity Biosciences Inc. The San Diego, US, company has three late clinical-stage assets for genetic neuromuscular diseases. By contrast, a widely expected announcement from Merck & Co Inc that it might pay up to \$32 billion to acquire Revolution Medicines Inc did not materialise during the conference.

M&A activity is bound to pick up as the year progresses, but this may involve acquisitions of assets that are already generating revenue rather than those that are only expected to. Companies with obesity assets are likely to be in demand. The sector received a boost in late December when Novo Nordisk A/S won FDA approval for the first oral version of an obesity drug. There is also strong underlying interest in drugs for the treatment of metabolic dysfunction-associated steatohepatitis, a serious liver disease.

Attack on Jerome Powell

What did materialise was an unexpected announcement on 11 January by Jerome Powell, chair of the US Federal Reserve, that the Department of Justice had served the bank with grand jury subpoenas, threatening a criminal indictment relating to Mr Powell's testimony before a Senate committee in June on a renovation project. The announcement came on the eve of JPM and probably contributed to the hushed tone of the meeting.

In his announcement, Mr Powell called the subpoenas pretexts. "The threat of criminal charges is a consequence of the Federal Reserve setting interest rates based on our best assessment of what will serve the public, rather than following the preferences of the President," he said, referring to President Trump.

Two days later, on 13 January, Jamie Dimon, chief executive of JP Morgan Chase, and other bankers said that the attack on Powell could have "reverse consequences" such as triggering expectations for a rise of inflation. He and others came out in strong support of Mr Powell and of an independent US central bank.

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