Biopharma Market Update

February 9, 2026

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Image taken in the back room of a Palo Alto VC which is housed in a former bank, Jan 2026.

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Women's Health, Part I

[Jan 20, 2026]

Biopharma Outlook 2026

[Jan 8, 2026]

Breast Cancer

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Medicine, Progress & AI

[Sep 11, 2025]

Obesity Drug Update

[July 9, 2025]

Healthcare Future

[May 30, 2025]

Aging Biology, Part II

[Nov 21, 2025]

Aging Biology, Part I

[Mar 26, 2025]

Biopharma Market Sentiment and Direction

Where Are We Now?

The biotech market has come roaring back in the last ten months. The XBI has nearly doubled. Many stocks are starting to look pricey, particularly on the commercial side.

Normally, one expects to see a more gradual upmarket. In the present case, we saw the XBI run up to 130 and it has traded flat to that for the last four weeks.

Is this a market top? Or are we headed up from here?

There are few things to note:

1. M&A was incredibly active in Q4 2025 and has been more tepid in the first five weeks of 2026.
2. The external environment (geopolitical, domestic etc.) has been choppy in the last month. The U.S., for example, has set up a rather formidable military force in the Mideast while, at the same time, losing popularity with European leaders at Davos over Greenland talk. We can't remember the last time a U.S. political leader was booed at the Olympics.
3. The background U.S. 10-year Treasury rate has been creeping up despite relatively bullish inflation numbers. This is not terribly surprising as our allies appear to be dumping U.S. Treasuries.

A Trip to Utah Last Week

Stifel held its annual Biotech Executive Ski Summit in Park City Utah last week. This event saw roughly 40 public investors spend three days listening to fireside chats from 40 public biopharma companies. The conversations were highly informative, and everyone seemed to enjoy themselves despite very light snow on the slopes.

We had the opportunity to speak to over a dozen investors at the Summit. Most wanted to talk ski and portfolio. We pushed each to give us their view on the market. Where did they see the market going? How confident were they?

These conversations ended up being quite rich in content and revealed largely optimistic views on biotech despite the volatile external environment. Nonetheless, growing discontent in the U.S. and the possibility that this might cause President Trump to be more aggressive in Europe and the Mideast was a persistent source of concern among investors.

Separately, we spent a day in Salt Lake City (Jan 30th) visiting four amazing biotech companies. We were struck by the widespread anti-ICE protests across the city that day. Utah is a Red State with a strong Mormon-influenced philosophy of generosity. The populace was clearly quite disturbed by recent events in Minneapolis.

I came away impressed by both the quality of the biotech ecosystem in SLC and the willingness of the populace to stand up for principle.

Investor Sentiment

A further topic on the mind of investors at our Ski Summit was the growing volatility of the markets in general. Last week saw cryptocurrency continue its drop, volatility in metals markets and software stocks based on concerns regarding agentic AI.

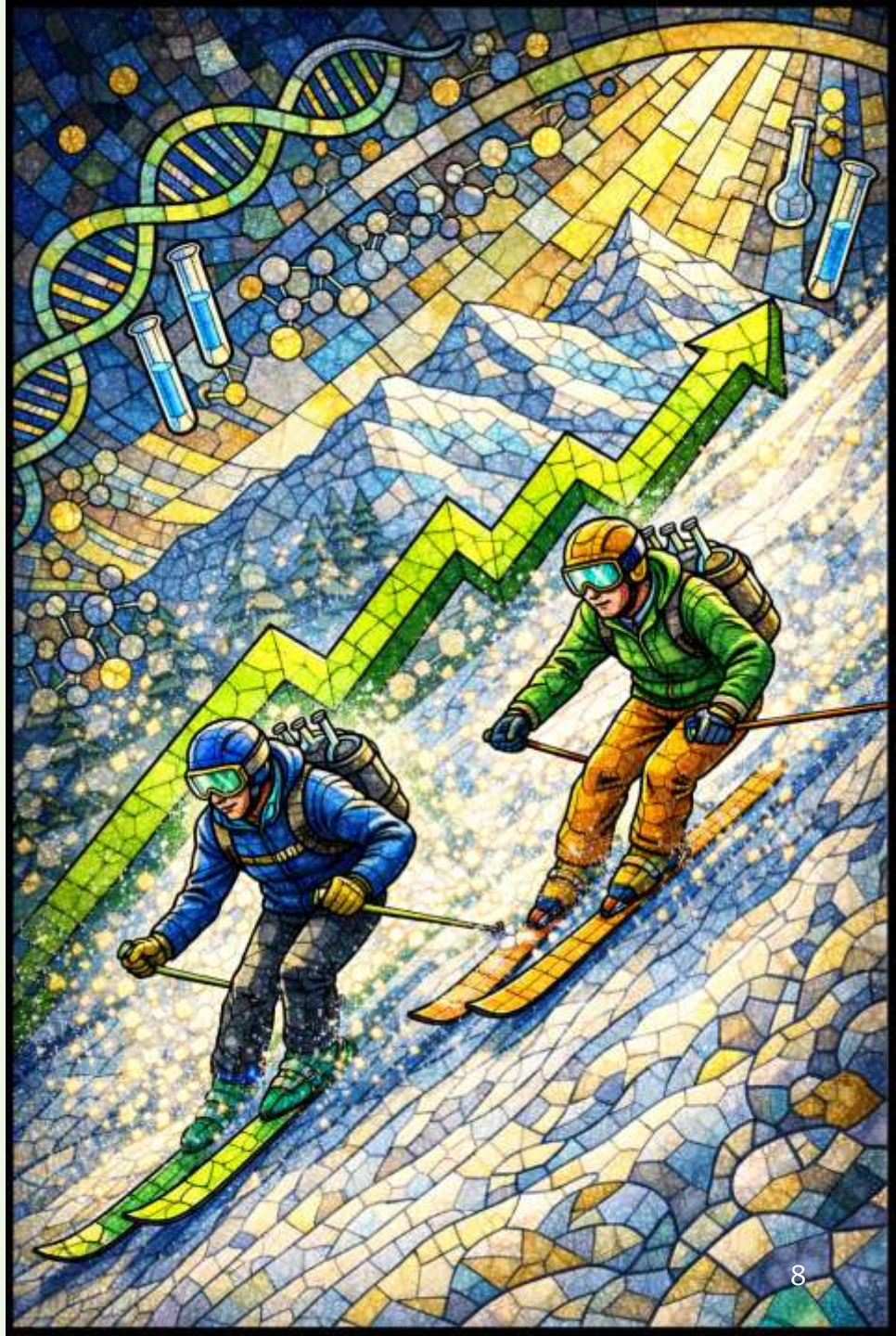
Multiple investors at our Ski Summit worried out loud that the market seems too influenced by speculative forces that are whipsawing the markets.

Most investors felt that the biotech bull market had a lot further to run, particularly as the broader market has already gone far. Last week saw the Dow hit 50,000 for the first time.

Some investors expressed concern that the market seems to be myopically flitting from “trade” to “trade” rather than buying stocks with a longer-term orientation.

This said, we heard hedge fund managers who were focused on finding great science to invest in at reasonable prices. The same managers had no compunction about shorting some of the pricier commercial emerging pharma companies.

The VIX rose to 22% last Thursday before settling down to 17.8% at the Friday close. The broad market is uneasy, jittery and worrying biotech specialists.



Overall, Investors are Bullish

We took notes on specific perspectives that investors shared and can report that two-thirds of investors we spoke to were explicitly bullish while another third were neutral/nervous. No one was bearish or negative on the market.

Overall, the sentiment in the market is positive but all investors have a careful eye on external domestic and international sources of risk.

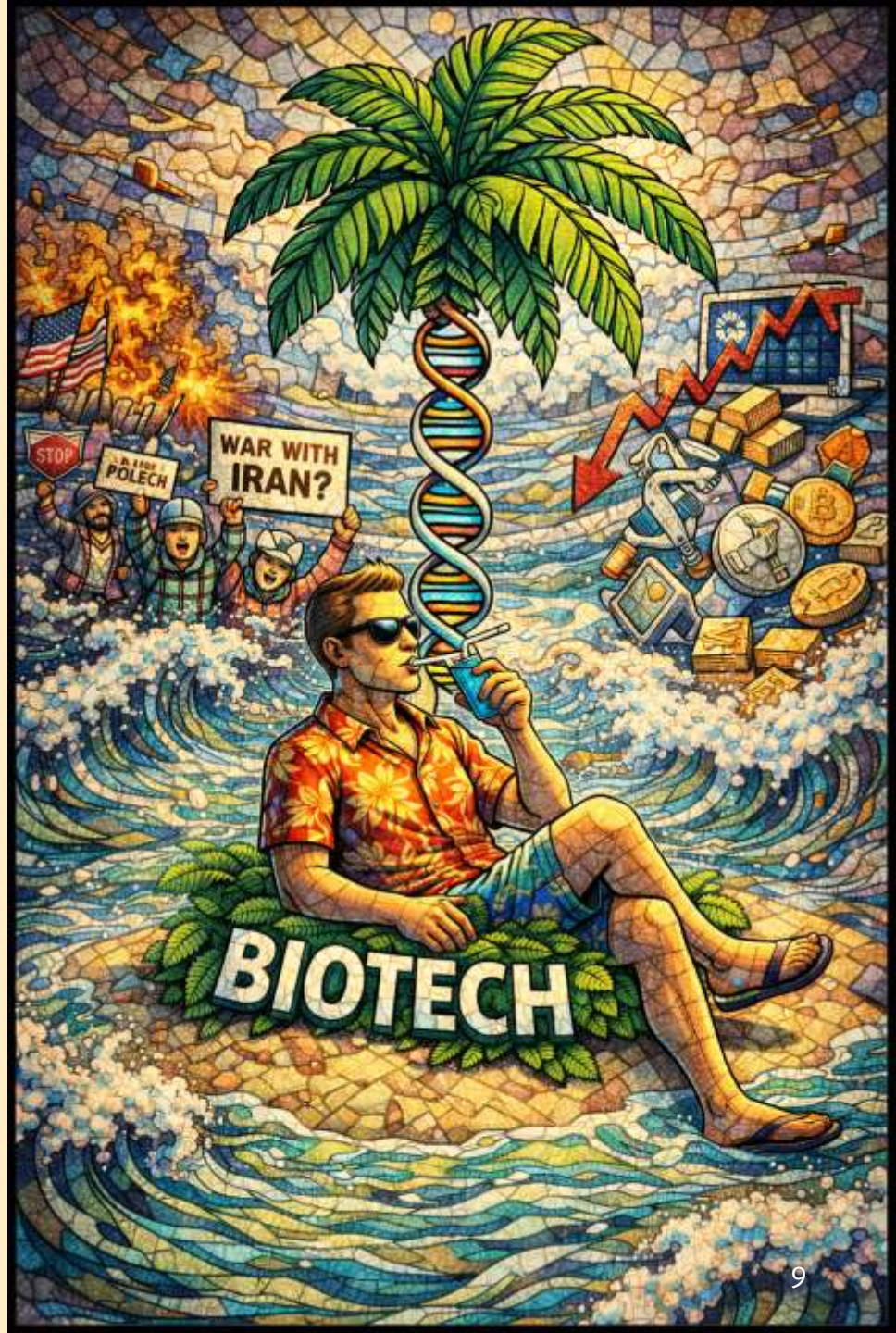
As illustrated at right, biotech is an island of relative calm in today's raging sea of political and market uncertainty.

Nice to be a bastion of security for a change.

Back to the question we began with: where is the biotech market going next?

We remain quite positive on direction and still think the XBI can cross 150 this year. We will not rehash the reasoning for this which was laid out in our January 8th issue. The XBI is up slightly this year so far.

We do share the nerves expressed by many of the investors we saw in Utah. Environmental uncertainty is a clear cause for concern. While bio innovation continues to impress, low inflation appears to be here to stay, and M&A is highly likely to persist, we worry that the speculative swings seen across the broad market accompanied by volatility in the tech sector and geopolitical uncertainty could lead to a "risk off" type environment that could cause biotech share price appreciation to be restrained.



Three Positive Developments

We would point to three positive developments in the market.

First, clear evidence that **sound fundamentals** drive today's biopharma market. Data continues to drive biotech stocks. Data and regulatory catalysts that are positive cause stocks to soar while those that are negative cause stocks to plunge. One investor at our Ski Summit complained that data is not quite as important as it used to be, but the broad sense is that this market remains very fundamentally driven. This is healthy as fundamentals tend to matter much less at market peaks and troughs. It was quite interesting, for example, to hear long-short funds (which seem to be doing quite well this year) talk of victories of shorting commercial companies with perceived slowdown in sales growth and of picking less expensive early-stage companies correctly.

Second, the **FDA last week moved against HIMS** which has been challenging Novo Nordisk's patented obesity products. Compounding laws are clear on what can and can't be done in the market. While the Trump Administration has generally been positive towards compounders, stepping in and saying "no" when HIMS announced an oral Wegovy was the right thing to do. This action is consistent with our previously expressed view that 2026 is going to be a politically more palatable year for pharma.

Third, we have seen **impressive earnings growth** in the earnings season from larger pharmas – with the exception of Novo, which has been slammed on a negative growth forecast. Last week saw Amgen, J&J, Lilly, Novartis and Roche hit all-time highs. The sector appears quite healthy.

Two Potential Developments to Come

One of the most remarkable aspects of the current market is the absence of heavy retail participation. We watch weekly funds flow data religiously. Unlike the Pandemic period when retail investors poured into biotech, we are not seeing abnormal net buying of biotech mutual funds in the current rally at all.

This is very likely the reason that fundamentals still matter so much. Retail investors, on average, are less sophisticated and thus will often flock into “story stocks” rather than those where a cold analysis of fundamentals would guide one to future share price appreciation. Retail tends to jump into markets when major events occur that capture the public imagination. Specifically, the Bubble of 2000 was very much linked to the success of the Human Genome Project, and the Bubble of 2020 was linked to the success of Covid vaccines.

The two big heated markets in biotech of the last thirty years coincided with **massive retail entry into biotech** associated with these two events. While we don’t see any equivalent event playing in the near term, we do think that as the cycle picks up and as tech stocks continue to struggle, we will witness more retail entry into biotech. We expect this to play out in the next few years, and we see this helping to drive the XBI up further.

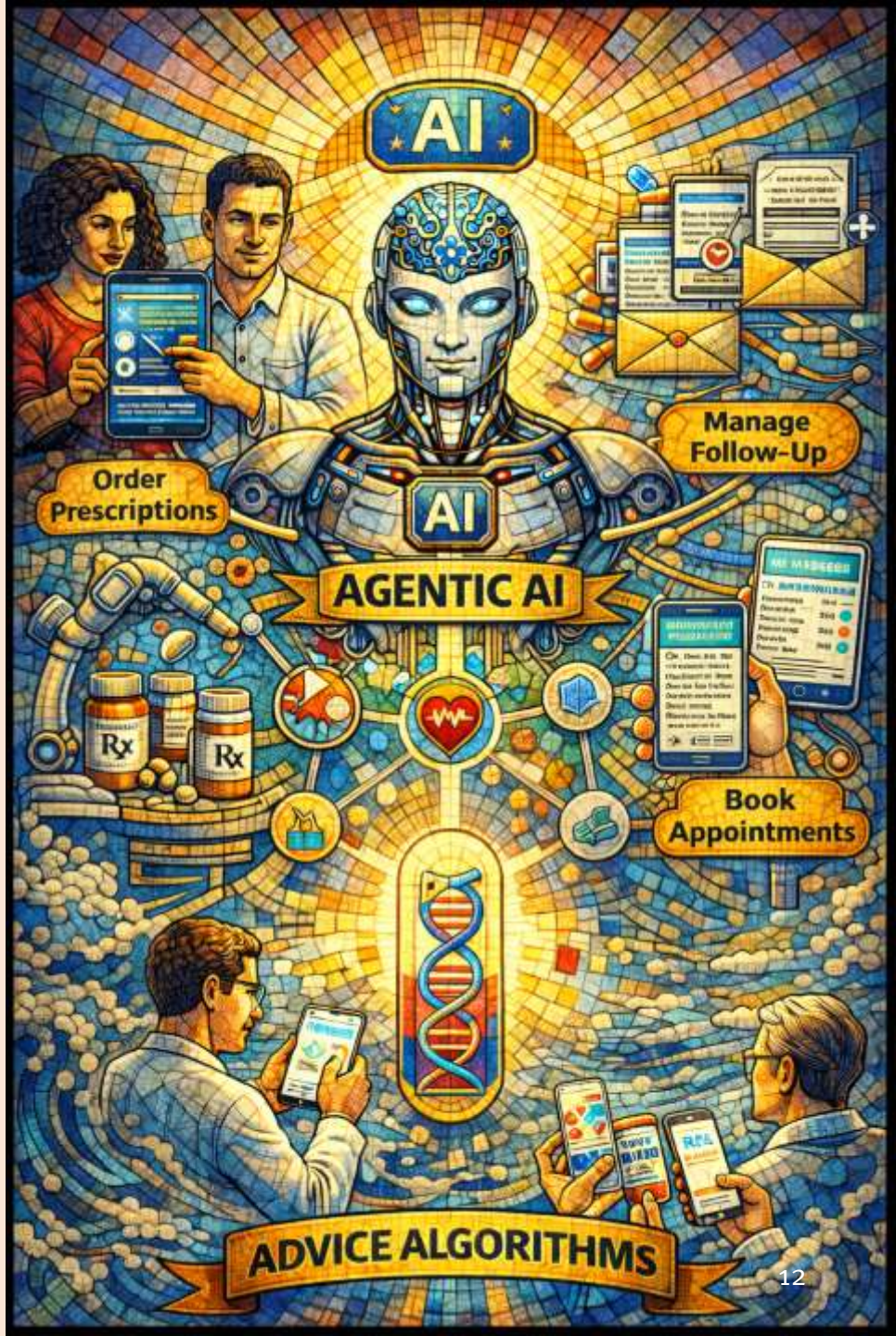
Another major factor to come is **index rebalancing**. The big rebalancing of the Russell indices is coming up this June (there is also a December rebalance). This means that the recent appreciation in stocks should be further amplified then. This is important because roughly half of the market is indexed now so the substantial appreciation of recent months will be amplified by the upcoming re-indexing event.

Longer-Term Factors to Watch

In our January 8th report we highlighted the importance of the adoption of higher pricing for large market pharmaceutical products. Events since January such as the FDA's willingness to help Novo defend its price for oral semaglutide reinforce our past perspective.

A further factor is the relevance of AI for pharma. Most parties imagine AI impacting pharma most through advances in drug design. We aren't so sure that drug design was ever broken and, in general, see AI as leading to incremental rather than revolutionary change in pharma R&D productivity.

In contrast, we have previously emphasized that AI is likely to revolutionize the practice of medicine. Computers already can run circles around most practitioners in dispensing medical advice. What last week's remarkable developments with agentic AI, particularly from Anthropic, make clear, is that this is going to go well beyond getting advice on your knee problems from ChatGPT. **Agentic AI is going to be able to enable consumers to make things happen in America's notoriously sclerotic medical system like never before.** Your friendly AI bot will help you track your medical records, analyze the records, figure out your knee problem's cause, then get you an appointment, go fetch your drugs, crutches etc. And, then manage your follow-up. In theory, the tech and compute to do this is here now. **Medicine will become far more algorithmic, sophisticated and effective** in response. What is so important from a pharma angle is that the entire industry has been held back by what doctors can handle. To a substantial degree, the pharma industry delivers fairly simple messages to doctors and focuses very much on spend to influence those doctors. In an AI-enabled world this all changes – in a way that could have very positive implications for the power of pharmaceuticals and industry growth.



Pharma Pricing Also on the Menu

A key industry driver remains what is going on with pharmaceutical prices in the United States. President Trump continues to tout the benefit of his policies for the consumer in the U.S. The reality of the **Most-Favored-Nation policies** appears increasingly likely to not cause prices to come down in the United States. Drug prices, on average, have gone up in the U.S. in 2026 and there is no evidence thus far that companies are dropping prices in the U.S. market. This, of course, is highly bullish for biopharma.

The **TrumpRx** system launched last week, and widespread stories appeared noting that the "bargains" on the system were for drugs that are already generic. There are not so many drugs at all listed on the system.

One prominent pharma industry executive was outspoken at our Utah Ski Summit saying: "The idea that prices abroad will dictate prices at home is not very sustainable" and "Prices in US are not going to go down. The MFN policies will cause prices to go up because you will have to make up for lost revenue in Europe and Japan due to the need to raise prices there. MFN will cause companies to abandon markets for the U.S.. Further, until you see MFN further clarified you will not see aggressive moves into Europe by drug launchers." This struck us as a remarkable set of predictions that accord rather well with what is going on this year. Similar views were expressed by *Wall Street Journal* columnist David Wainer in his January 26, 2026 article "Big Pharma Eyes Higher Prices Abroad". An obvious concern is that drug pricing is an area where Democrats and Republicans agree and this issue may persist after the Midterms where it looks increasingly possible that a lame duck administration will search for common ground to make progress on any legislation.

Biopharma Market Update

The XBI Closed at 125.5 On Friday (Feb 6), Up 0.6% Last Week

The Stifel Global Biotech Value Tracker rose by 0.5% last week, about the same as the XBI. Treasury yields are in the low 4's and steady. The XBI is up 3% since New Year's. Likewise, the Stifel Global Biotech Value Tracker is up 3% for the year to date.

Biotech Stocks Up Modestly Last Week

Return: Feb 1 to Feb 6, 2026

Nasdaq Biotech Index: +3.4%
Arca XBI ETF: +0.5%
Virtus LifeSci Biotech ETF (BBC): +0.1%
Stifel Global Biotech EV (adjusted): +0.5%*
S&P 500: +0.7%

Return: Dec 31, 2025 to Feb 6, 2026 (YTD)

Nasdaq Biotech Index: +4.8%
Arca XBI ETF: +2.9%
Virtus LifeSci Biotech ETF (BBC): +6.0%
Stifel Global Biotech EV (adjusted): +3%*
S&P 500: +1.3%

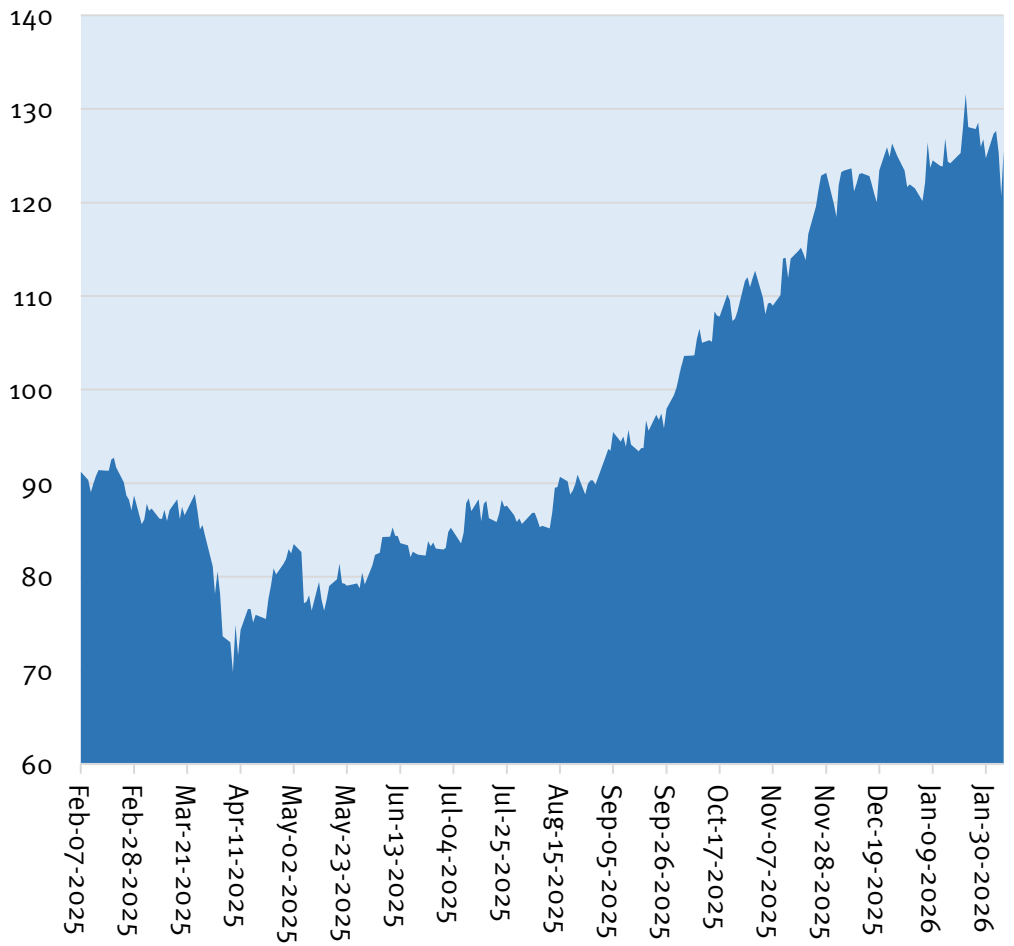
VIX Up a Bit

Apr 11, 2025: 37.6%
Jul 12, 2025: 16.4%
Oct 3, 2025: 16.6%
Dec 31, 2025: 15.0%
Jan 16, 2026: 16.9%
Jan 29, 2026: 16.9%
Feb 6, 2026: 17.7%

10-Year Treasury Yield Flat

Apr 11, 2025: 4.48%
Jul 12, 2025: 4.43%
Oct 3, 2025: 4.13%
Dec 31, 2025: 4.18%
Jan 16, 2026: 4.24%
Jan 29, 2026: 4.24%
Feb 6, 2026: 4.22%

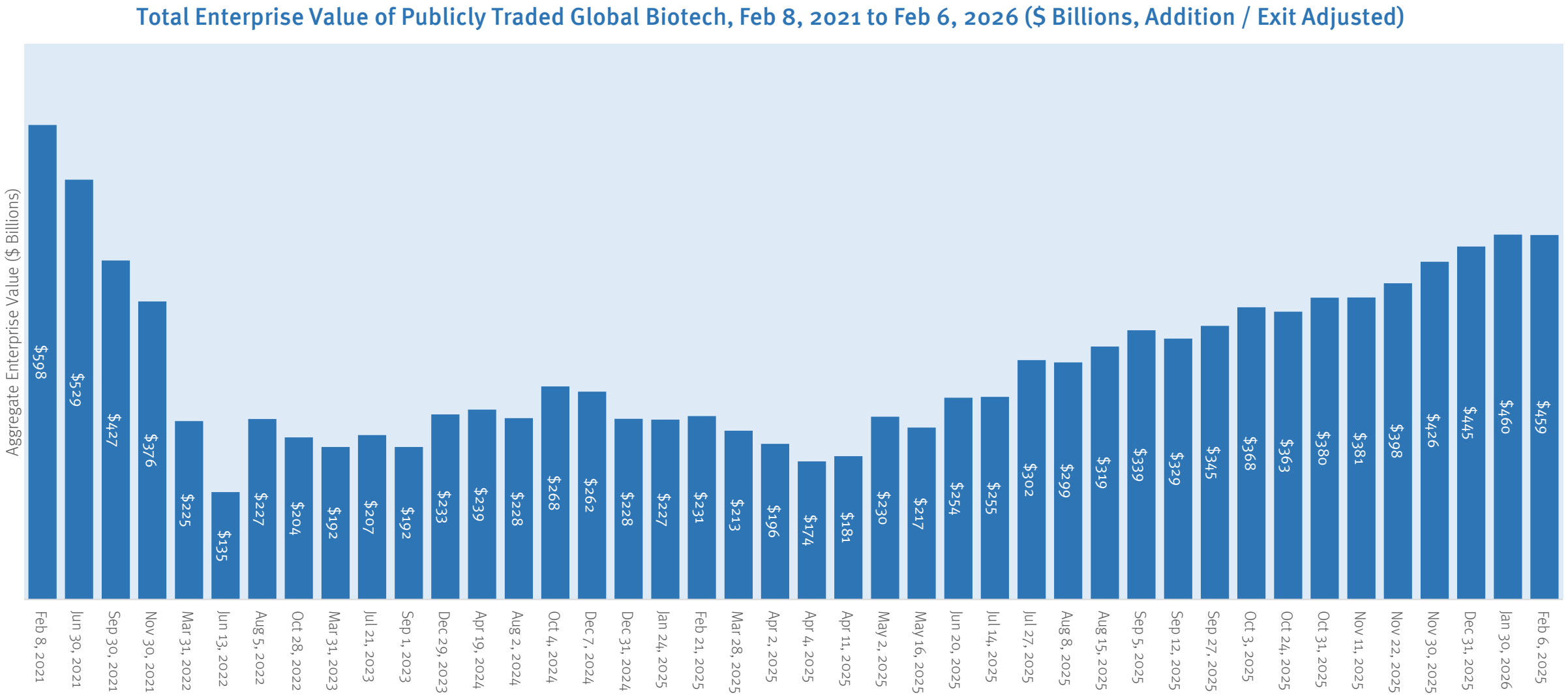
XBI, Feb 7, 2025 to Feb 6, 2026



* Change by enterprise value. The adjusted number accounts for the effect of exits and additions via M&A, bankruptcies and IPOs.

Source: S&P Capital IQ and Stifel analysis

Biotech Stocks are up a Modest 3% Since the Year Started and 145% Since "Liberation Day" Last Year

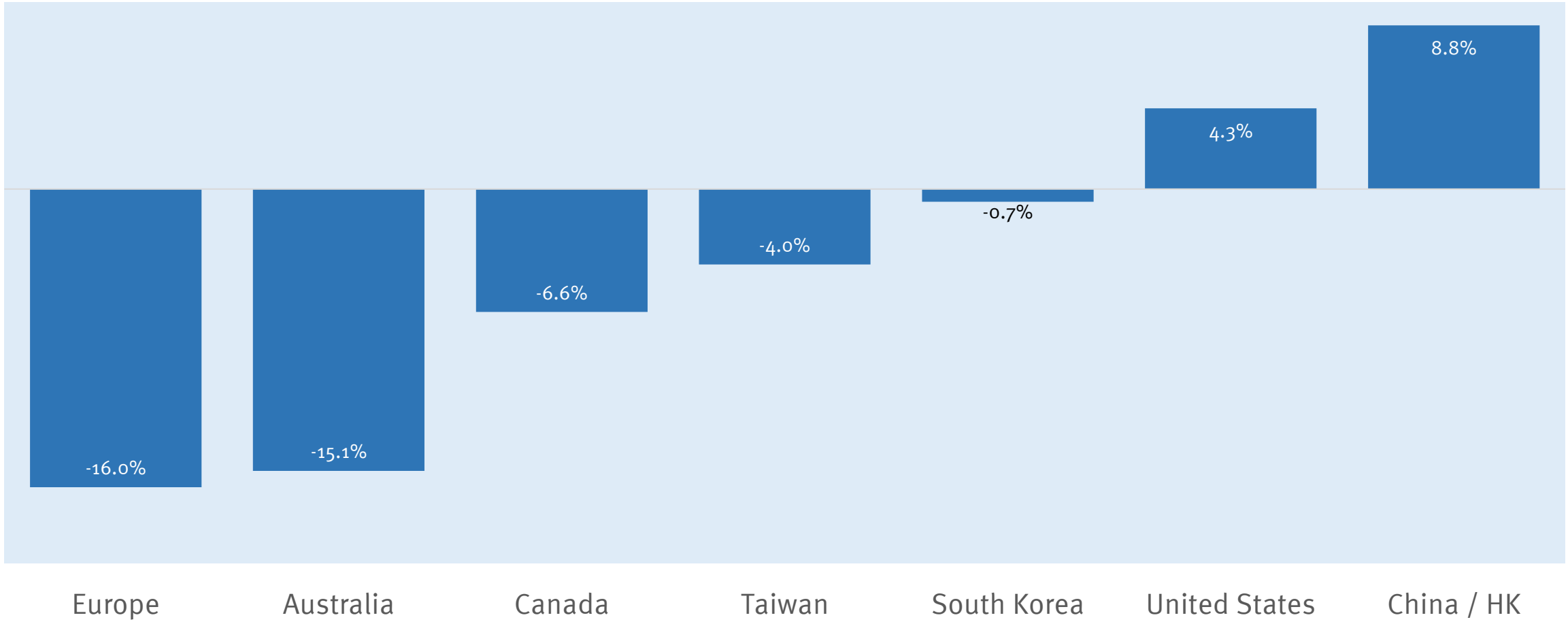


Source: CapitalIQ. Biotechs are defined as any therapeutics company without an approved product on any global stock exchange.

China and US Biotechs Have Done Best This Year

China biotech is up 8.8% this year while the U.S. is up 4.3%. Europe is down 16% on weakness in ABIVAX shares.

Percent Change in Total Market Cap of Public Biotech by Country/Region, Dec 31, 2025 to Feb 6, 2026

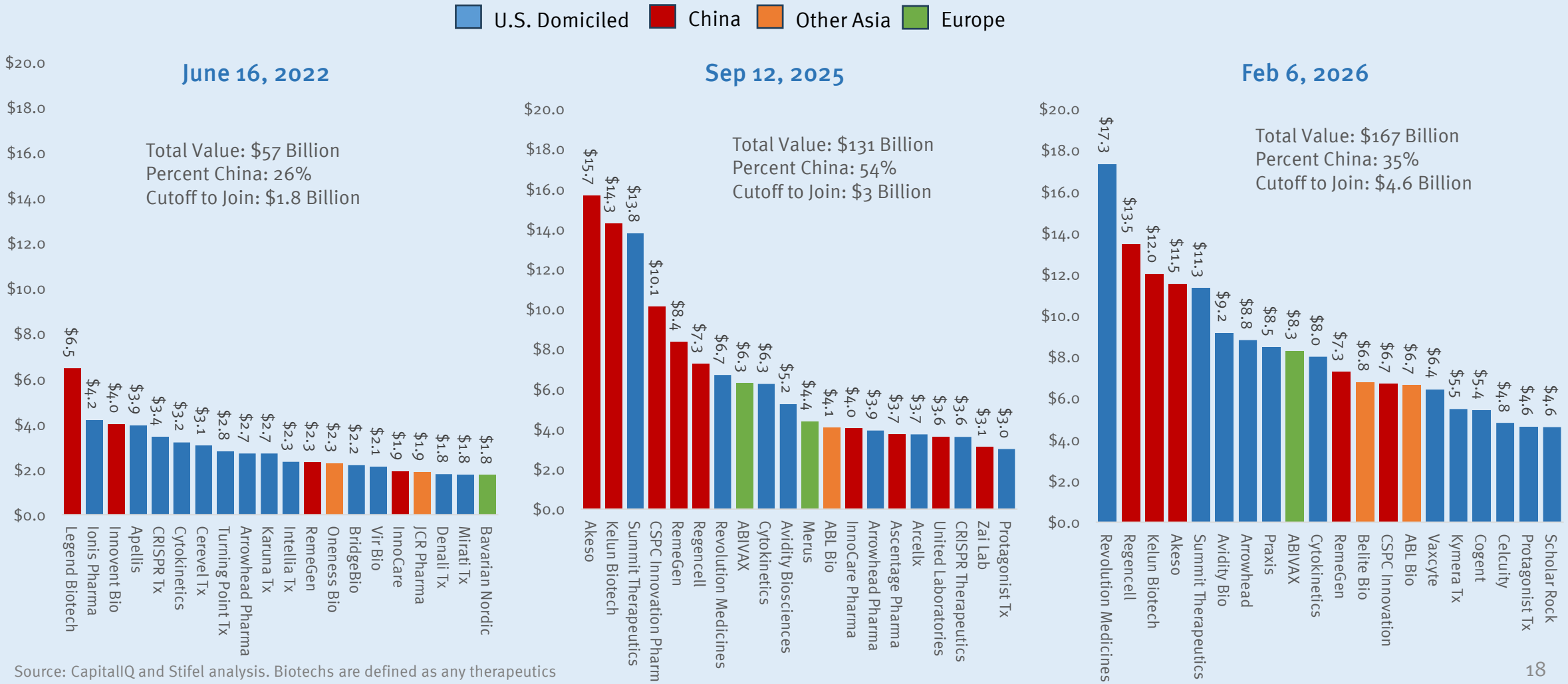


Source: CapitalIQ and Stifel analysis. Biotechs are defined as any therapeutics company without an approved product on any global stock exchange. Europe biotech includes companies from all major EU countries.

The Public Biotech Markets Have Changed Dramatically Since 2022

The U.S. biotech rally has had the effect of "Re-Americanizing" the top ranks of the biotech sector. Today, 35% of value in the top 20 is Chinese versus a majority just five months ago.

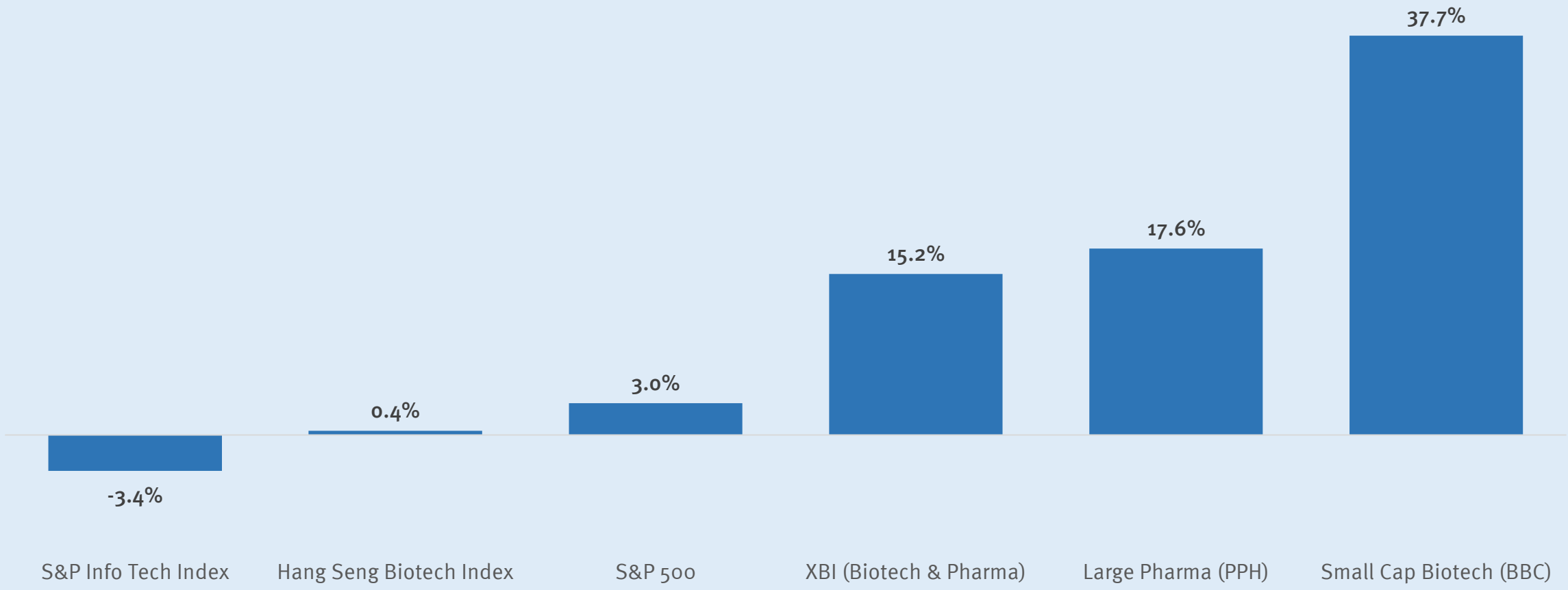
Top 20 Public Biotechs Globally by Enterprise Value ($ Billions), June 2022 to February 2026



Source: CapitalIQ and Stifel analysis. Biotechs are defined as any therapeutics company without an approved product on any global stock exchange.

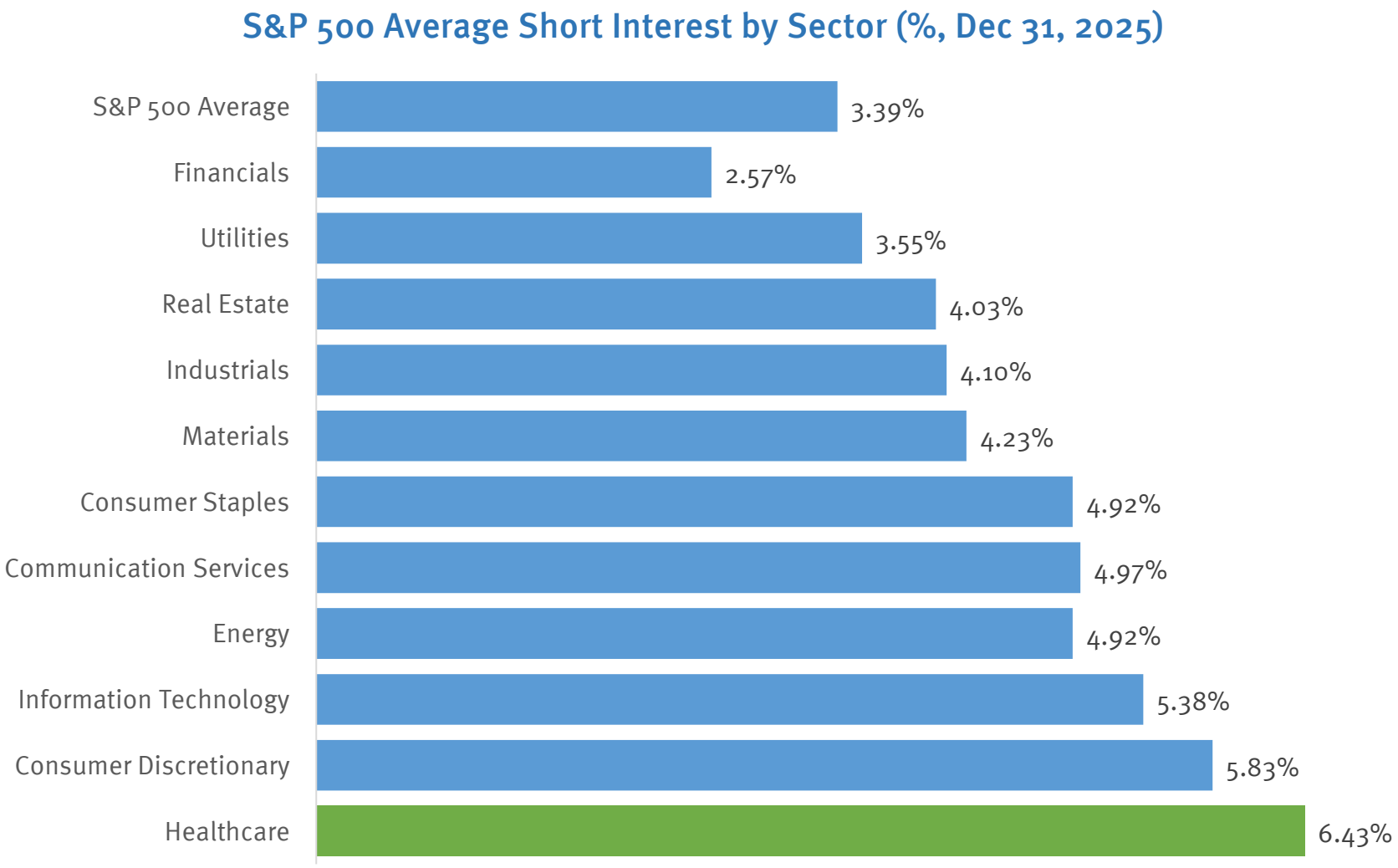
U.S. Biotech Small Cap Biotech and Pharma Doing Best in Last 3 Months

We are seeing ongoing rotation into the biopharma space as investors are cautious about tech. This trend has continued in recent weeks.



Source: CapitalIQ.

High Short Interest Implies that Many Funds See Selected Healthcare Names as Overvalued



Source: S&P CapitalIQ.

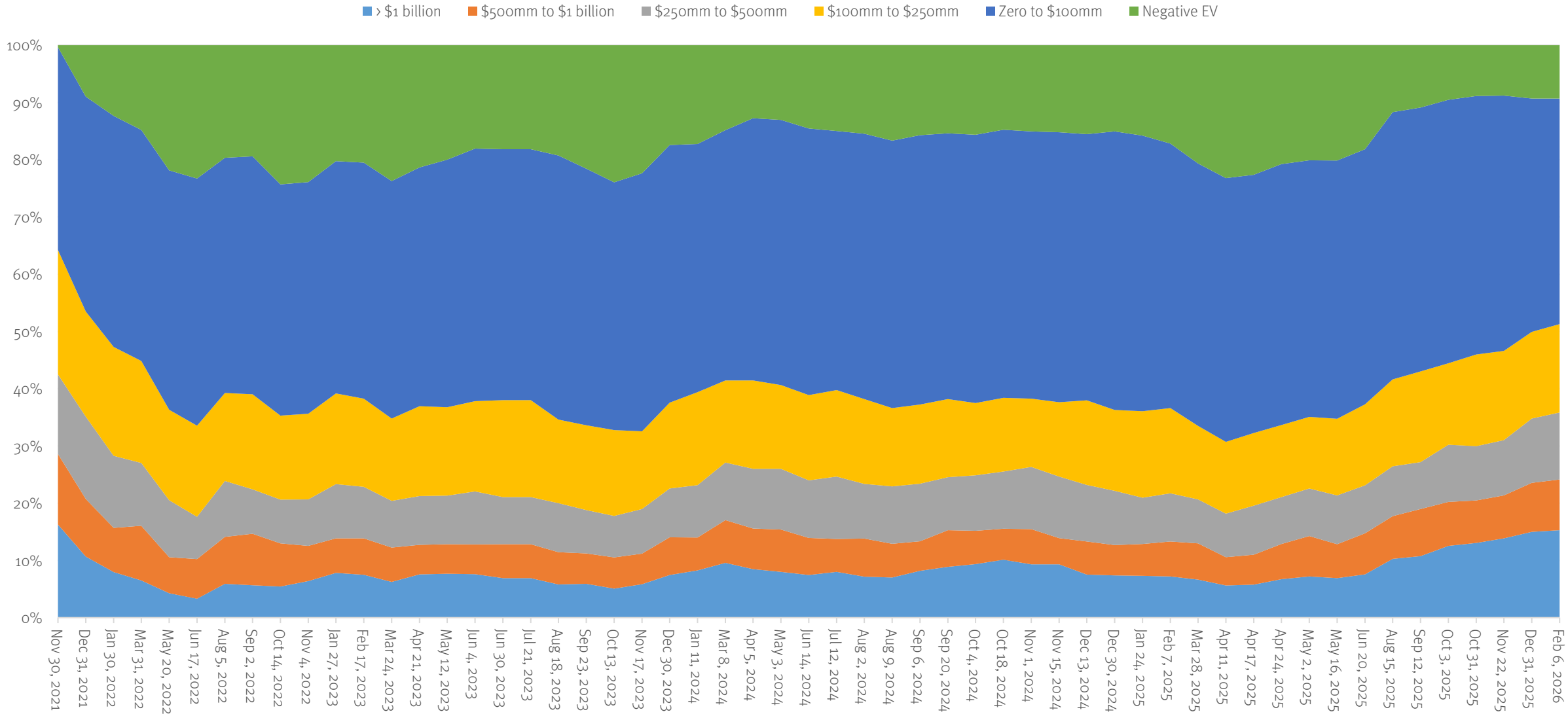
Our own conversations with investors confirm heavy shorting activity in healthcare and biopharma as of the end of 2025.

A number of investors are reacting to recent upward moves and saying “I doubt it will last”.

The areas of highest interest for shorting are public biotechs that are early stage with multi-billion dollar valuations and commercial stories where growth rates are decelerating. Once a launch trajectory starts to slow down it is possible to see what peak sales might look like, and in many cases, Street expectations have been too optimistic.

Global Biotech Neighborhood Continues to Get Substantially Richer

Global Biotech Universe by Enterprise Value Category, Nov 30, 2021 to Feb 6, 2026

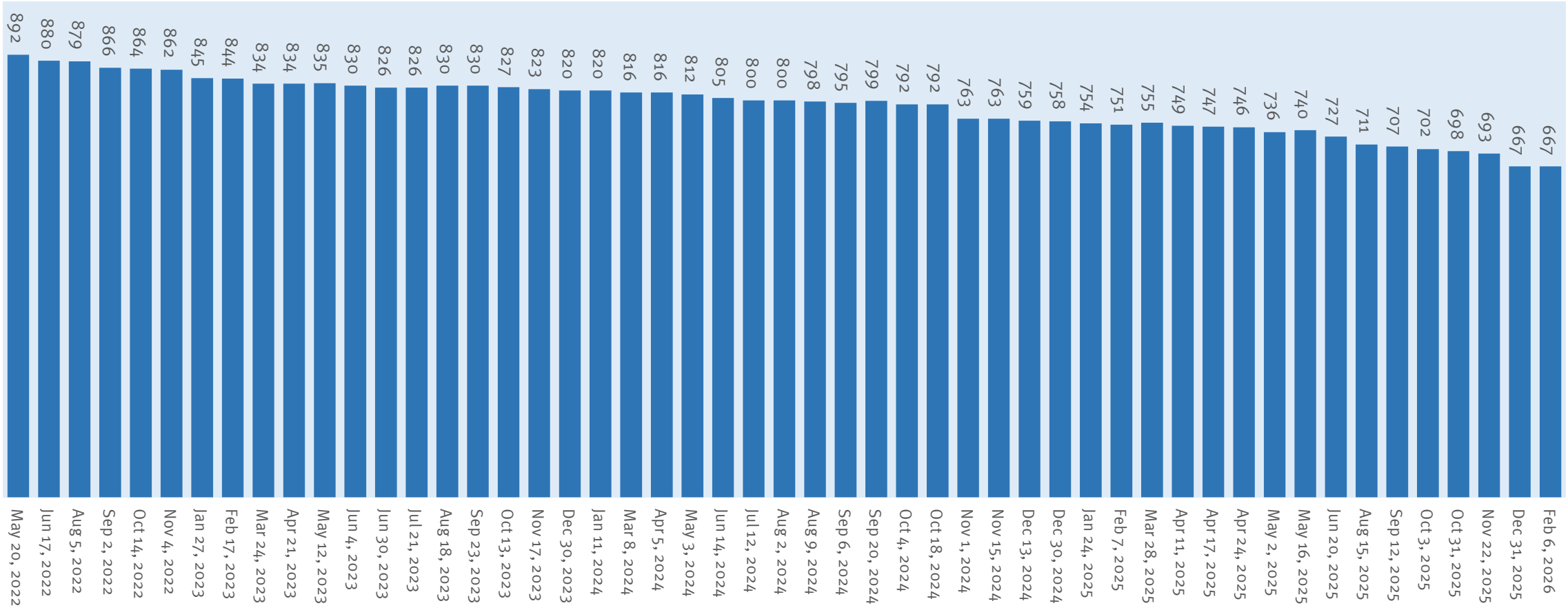


Source: CapitalIQ and Stifel analysis. Biotechs are defined as any therapeutics company without an approved product on any global stock exchange. Europe biotech includes companies from all major EU countries.

Biotech Count Has Stabilized

So far, we have seen six biotechs disappear in 2026 and six companies go public. So, for the first time since 2022 the count of companies has stopped dropping.

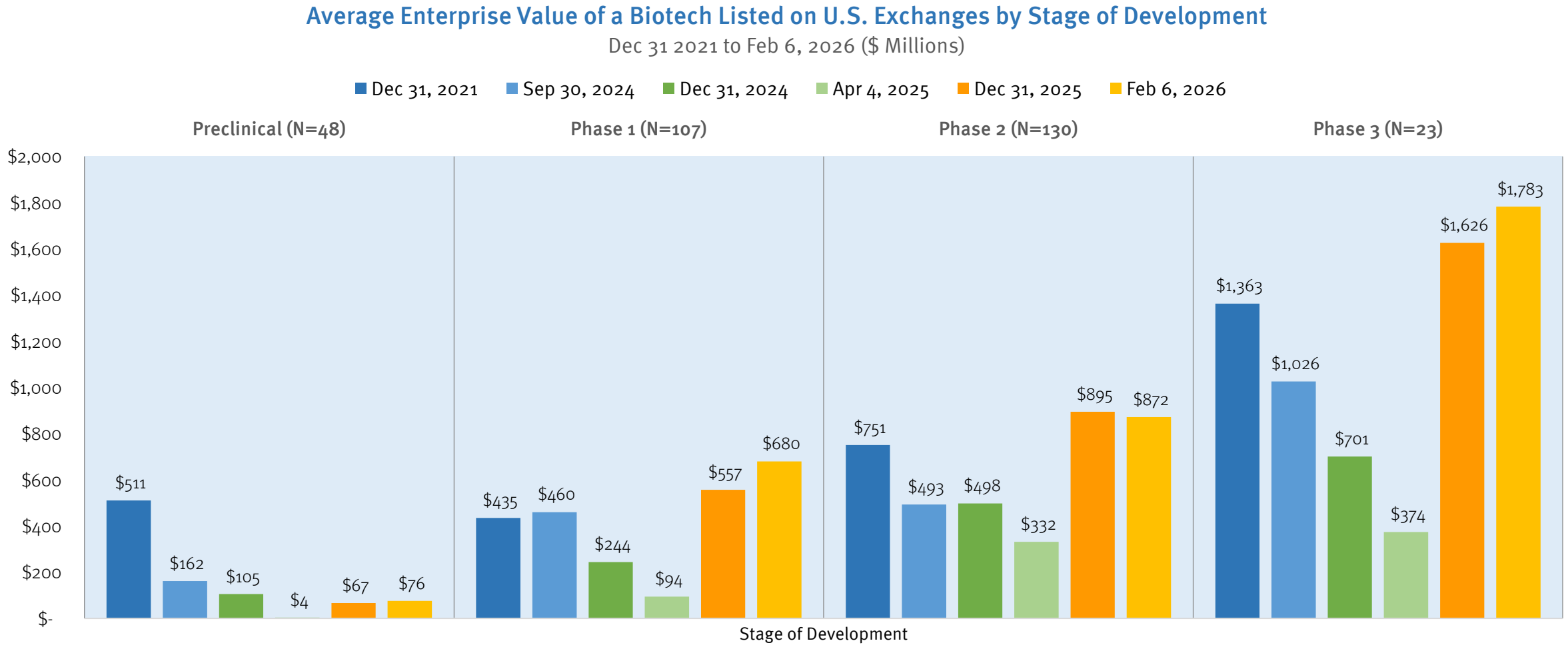
Number of Publicly Traded Biotech Companies Worldwide, May 2022 to Feb 2026



Source: CapitalIQ and Stifel analysis. Biotechs are defined as any therapeutics company without an approved product on any global stock exchange. Europe biotech includes companies from all major EU countries.

U.S. Phase 1 and 2 Biotechs Exceed Past Peak Values. Phase 3's are Beyond Peak Values and Early-Stage Remain Below the Last Peak

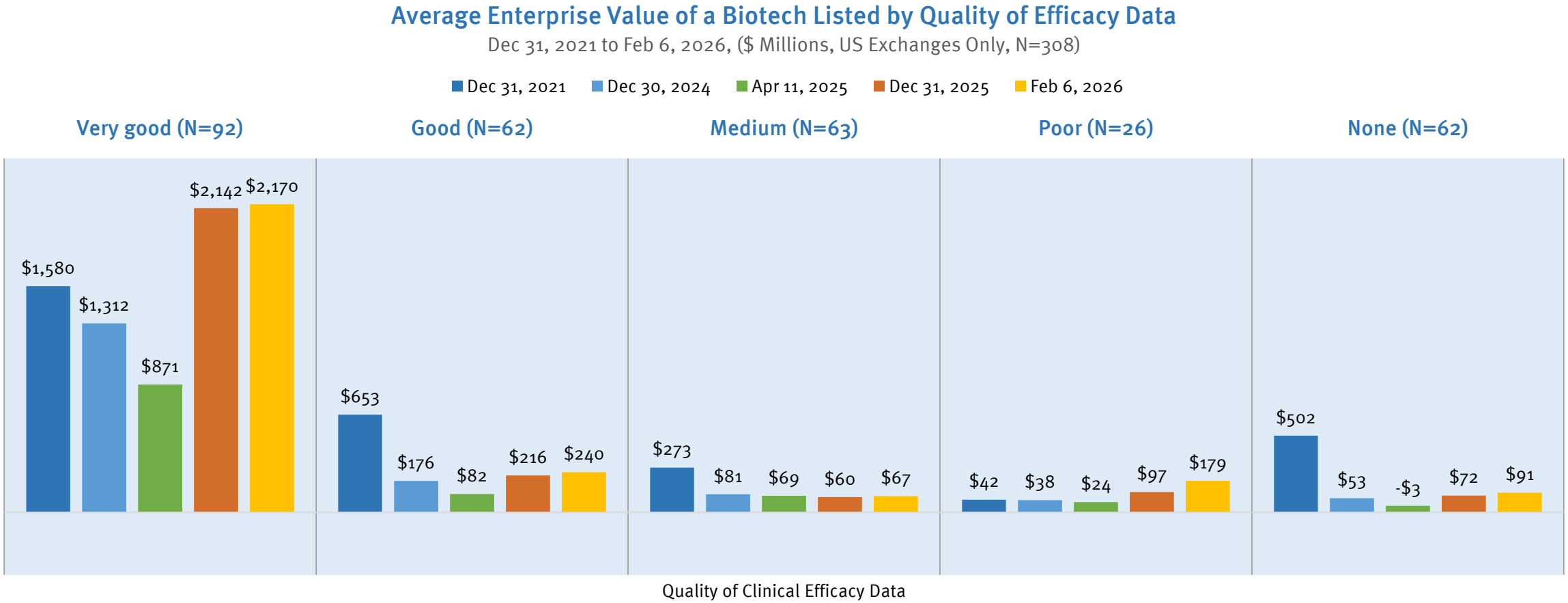
This continues to be a data driven market. Later stage companies with clinical data trade at levels well above those that are in the preclinical stage.



Source: CapitalIQ and Stifel analysis. Phase of development is defined by release of at least some efficacy data from a given stage of clinical development.

U.S. Market is Putting a Huge Premium on Companies With Very Good Datasets

The market continues to flock into biotechs that look like strong M&A targets. Overwhelmingly, these are companies that have very good datasets. There is much less interest by investors in biotechs that lack very good data.



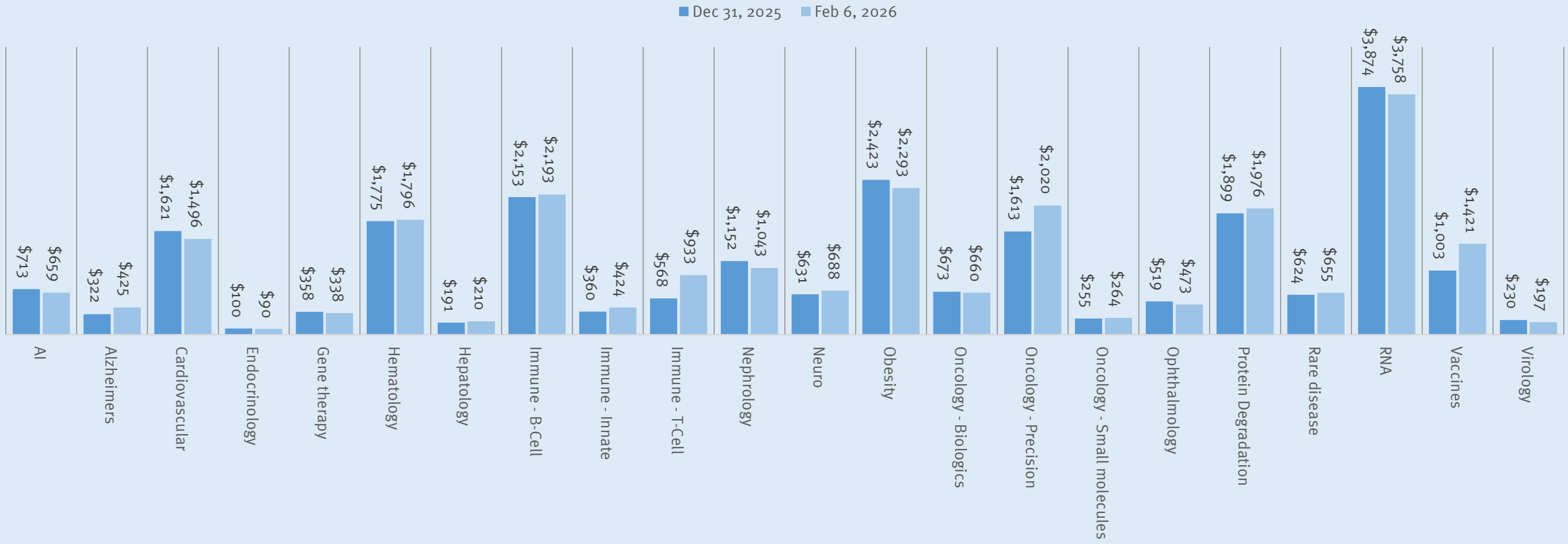
Source: CapitalIQ and Stifel Investment Banking Department Analysis. Phase of development is defined by release of at least some efficacy data from a given stage of clinical development. . A very good dataset is one where reported efficacy data indicate a strong likelihood that the investigational agent will exceed today's standard of care for the relevant disease. A good dataset is one where there is a reasonable likelihood of matching or slightly beating the standard of care. A medium dataset shows activity but not a good chance of beating the standard of care. A poor dataset is one where the agent clearly will not beat the standard of care, most likely because the agent missed its endpoint in a clinical trial.

U.S. Biotech Values Today Highest in RNA, Obesity and B-Cell

The most valued sectors in biotech today are in RNA, obesity and B-cell immunology. We are seeing a big pick-up this year in precision oncology and vaccines.

Average Enterprise Value of U.S. Public Biotechs in Key Therapeutic Areas

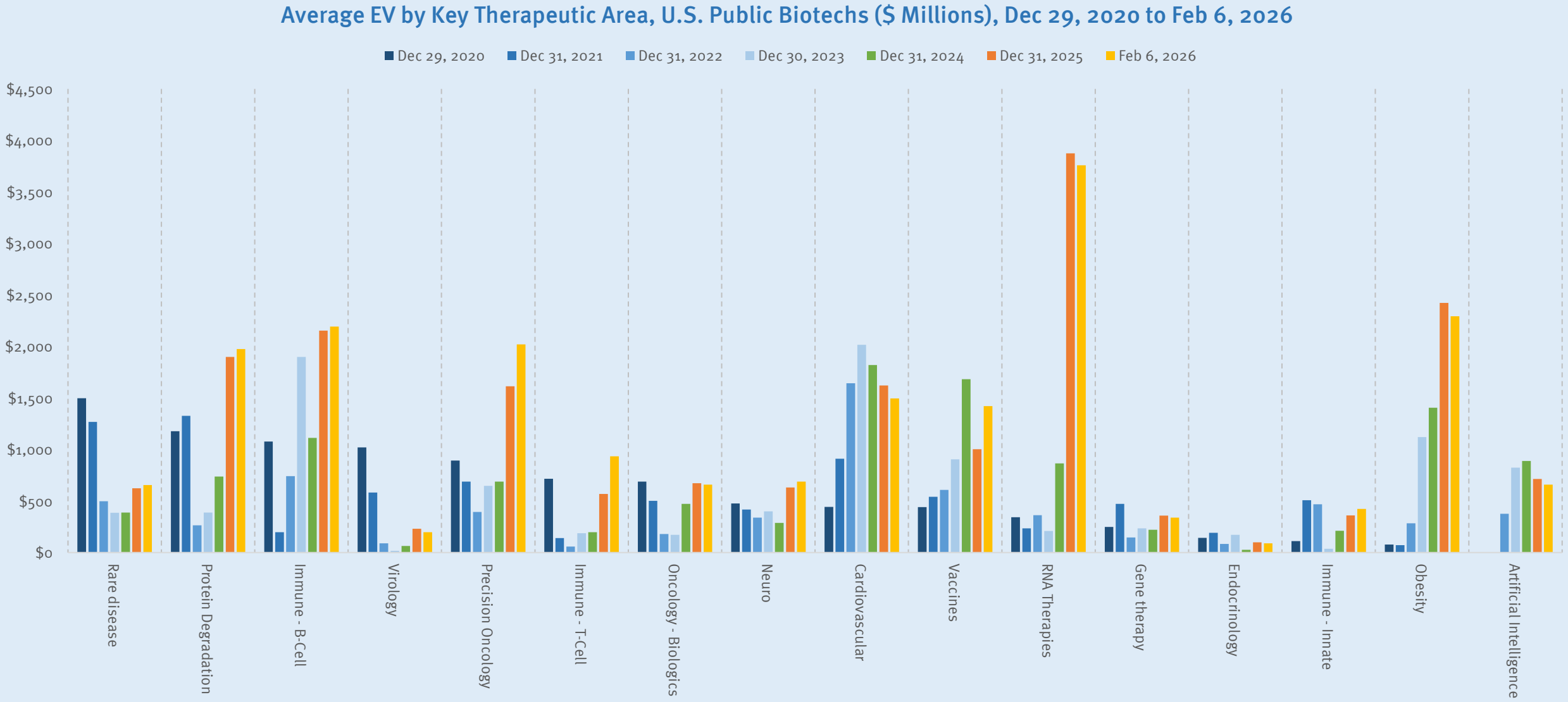
Feb 6, 2026 vs. Dec 31, 2025 (N=305), $Millions, U.S. Exchanges Only



Source: S&P CapitalIQ and Stifel analysis.

Substantial Variability in Recovery of Values by TA Since 2020

Some therapeutic areas today exceed previous value heights (e.g., RNA, neuro, CV) while others such as virology and rare disease have not returned to Pandemic era valuations.



Source: S&P CapitalIQ and Stifel analysis.

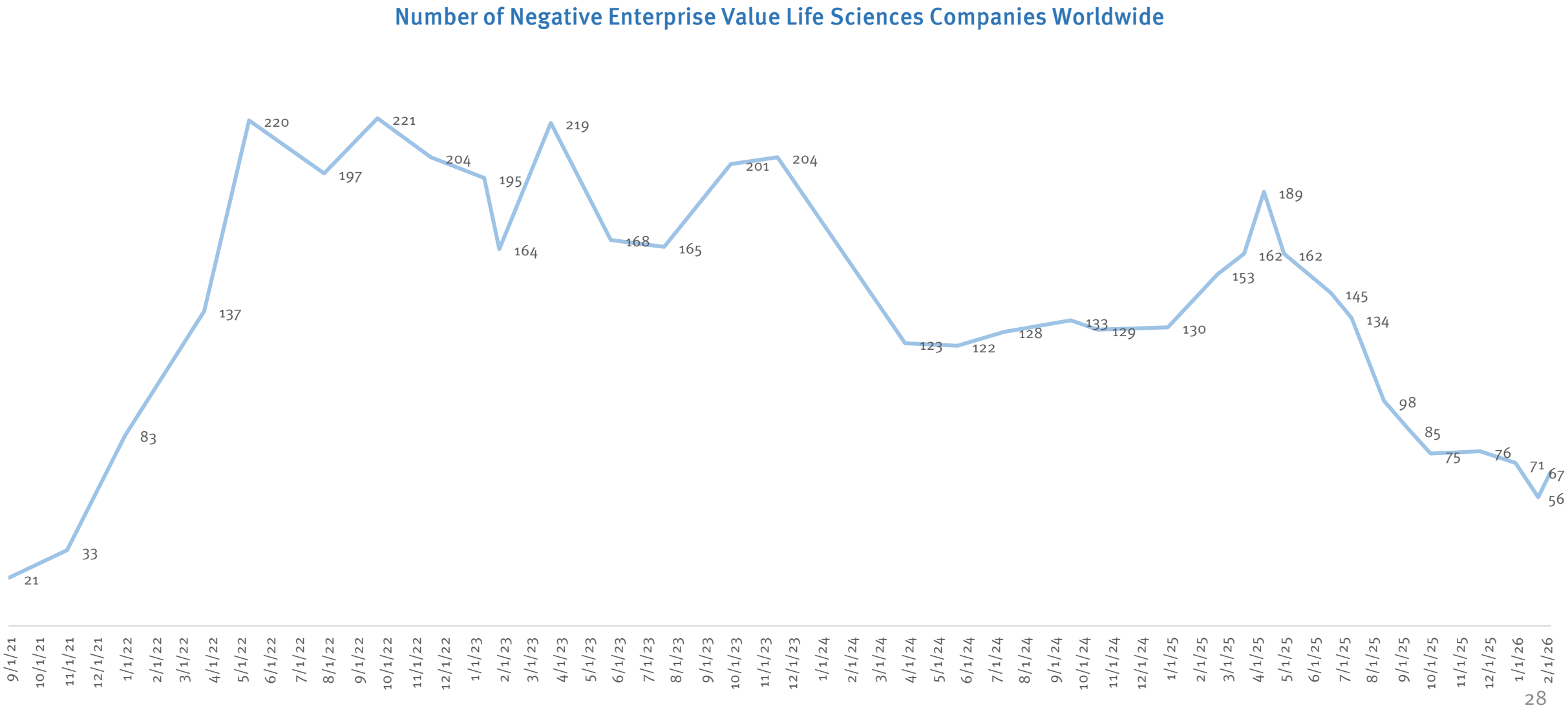
Life Sciences Sector is Now Worth $10.9 Trillion

The sector was up in value last week by $57 billion. We saw strength in the commercial pharma and API fields while HCIT, diagnostics, pharma services and tools dropped. This is the highest aggregate sector value we have seen since the Pandemic.

Sector	Firm Count	Enterprise Value (Feb 6, 2026, $millions)	Change in Last Week (percent)	Change in Last Month (percent)	Change in Last Year (percent)
API	79	$99,901	1.9%	-3.2%	11.0%
Biotech	651	$407,030	-0.7%	-4.1%	-5.1%
CDMO	36	$162,241	-2.2%	-4.3%	4.4%
Diagnostics	73	$283,606	-4.3%	-7.3%	6.2%
OTC	28	$22,425	0.0%	1.1%	-6.5%
Commercial Pharma	682	$7,379,391	2.1%	3.2%	19.5%
Pharma Services	38	$192,611	-3.9%	-7.4%	11.9%
Life Science Tools	48	$624,665	-3.9%	-10.7%	-4.3%
Medical Devices	168	$1,698,634	-2.3%	-6.8%	-8.3%
HCIT	7	$19,489	-12.3%	-13.5%	-28.8%
Total	1810	$10,889,994	0.5%	-0.4%	12.9%

Source: CapitalIQ and Stifel Investment Banking Department Analysis

Number of Negative Enterprise Value Life Sciences Companies is Down So Far in 2026



Source: CapitalIQ

Capital Markets Update

Healthcare Equity Window Open But Selective in 2026

Healthcare equities continue to show resilience in early 2026. The past week delivered four life sciences IPOs, one direct listing, and five follow-ons even as the broader tape moved sharply risk-off. Software, AI-exposed names, and other high-beta sectors sold off, the VIX pushed ~21, and macro volatility increased. Despite that backdrop, IPOs and follow-ons have printed through the volatility.

The biotech tape has been outperforming relative to the broader market during the recent unwind. The XBI is up 3% for the year (vs S&P 500 1.5% and NASDAQ 1.7%) and ended last week in positive territory despite the recent volatility. High-beta software has driven much of the pressure, whereas healthcare subsectors have been comparably stable. Our conversations with healthcare investors suggest they remain optimistic but with some caution.

Issuance has been robust. Four life sciences IPOs priced within days, raising ~$1.03B collectively. Veradermics priced above range, traded +122% on day one, and exercised the full shoe for $294.8M. Eikon upsized to $381M, the largest biotech IPO since 2024. Including Aktis Oncology's ~$318M IPO earlier in January, five meaningful life sciences IPOs have priced YTD along with Polaryx's direct listing this week— a strong start to 2026.

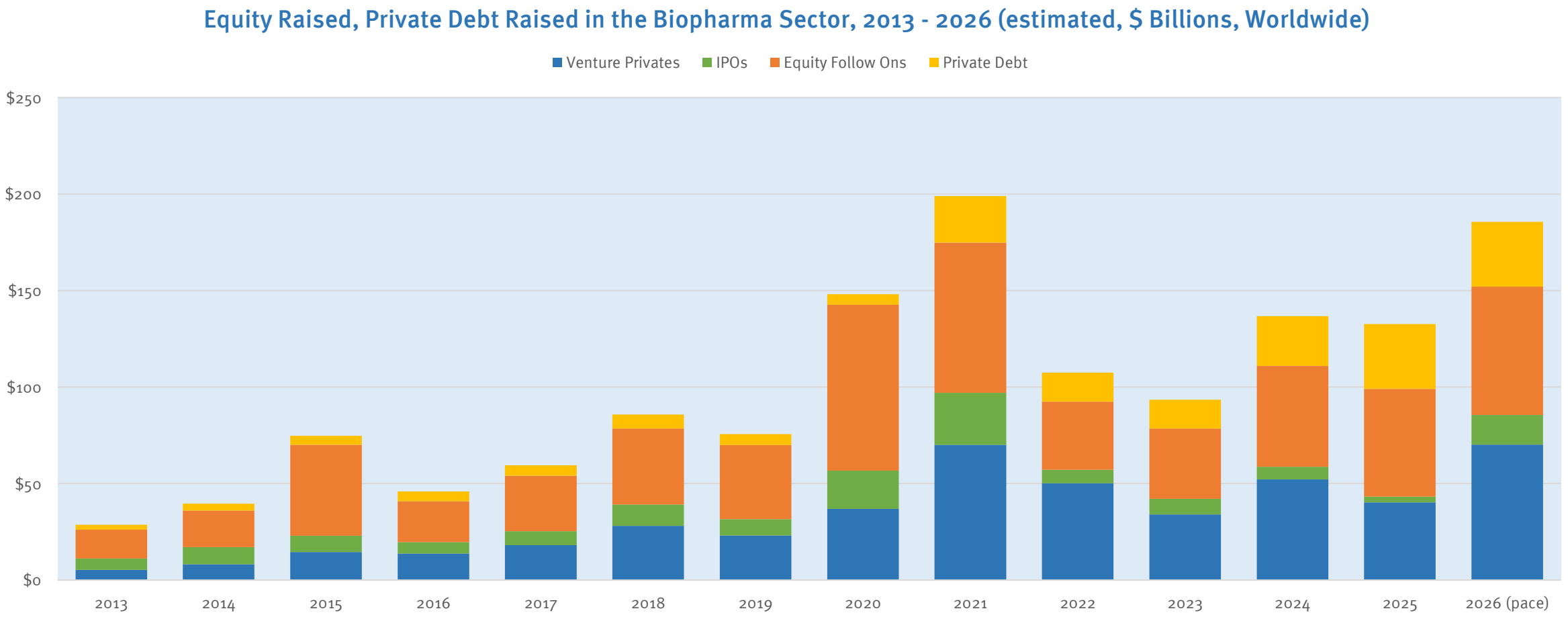
Stifel was an active bookrunner on one IPO and one PIPE deal last week. We saw the IPO, over the course of its roadshow, build an order book that finished multiple times oversubscribed. Allocations were skewed to mutual funds, healthcare dedicated, and existing investors.

Follow-ons have been similarly active. Adlai Nortye $140M, Perspective Therapeutics $175M, Sangamo $25M, and Satellos $50M priced transactions this week.

Bottom line: Despite the macro volatility, the healthcare equity window is open but selective. We are always available to discuss the market, share our insights, and help navigate the environment.

We are on Pace To See the Second Hottest Biopharma Capital Markets Year on Record in 2026

It remains quite early to extrapolate too far, but the capital raising pace so far in 2026 suggests that this could be close to a record year for money raising in the biopharma sector.



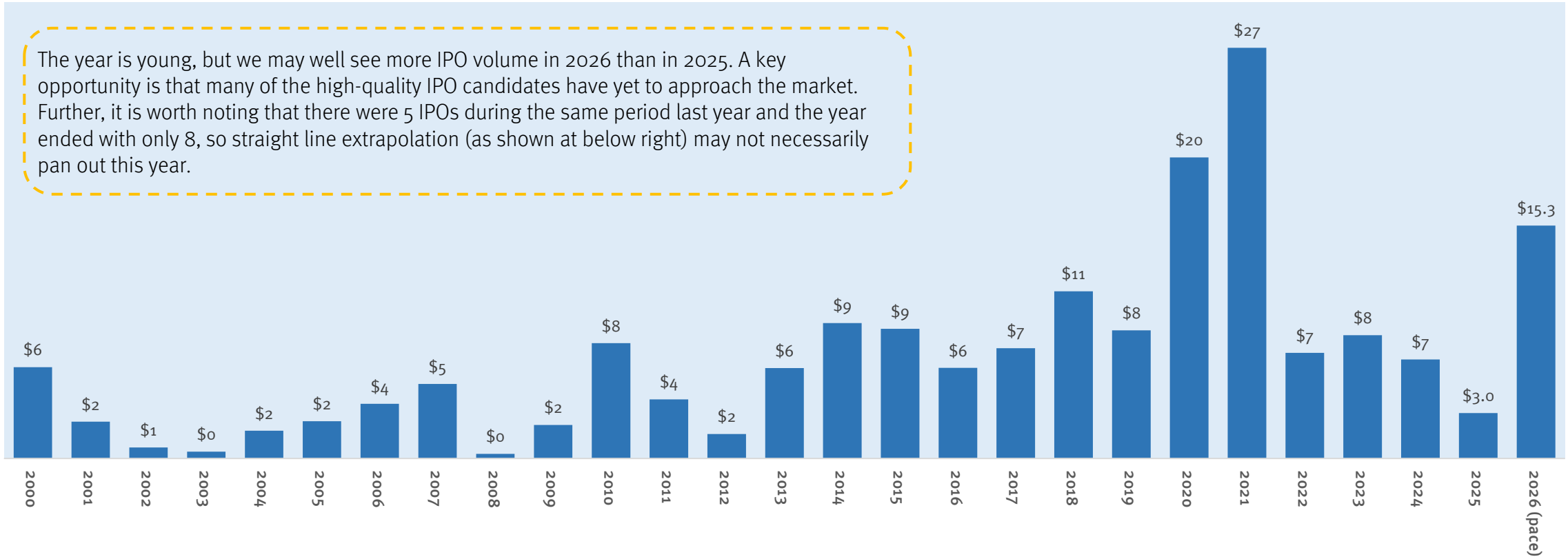
Source: Data from CapitalIQ. Note: Data for 2026 is annualized based on results through January 2026.

We Have Seen $1.5 Billion in Biotech IPO's So Far in 2026

So far, we have seen six biotech IPO's in 2026, putting us on a pace of a deal per week. These IPO's have performed well overall. The calendar continues to fill in with quality offerings and it's not unreasonable to expect that more than 30 companies will go public this year. There are many companies in the ecosystem who have the potential to go public (200+ are in the queue to go public in China and an unknown but reasonably large number exists for the NASDAQ / NYSE).

IPO Volume in the Biopharma Sector, 2000 - 2026 (annualized)

($ Billions, Worldwide)



Source: Data from CapitalIQ. Note: Data for 2026 is annualized based on results as of Feb 6, 2026.

A Sign Biotech is Back? Four Drugmakers go Public, Raising Nearly $1 Billion in All

Allison DeAngelis, *Stat+*, Feb 6, 2026 (excerpt)

The biotech IPO, a nearly forgotten vestige of the startup playbook, has returned in full force. Four drug companies — Agomab Therapeutics, Eikon Therapeutics, Spyglass Pharma, and Veradermics — went public this week, raising close to $1 billion combined. A fifth company, Generate Biomedicines, filed documents for an initial public offering, or IPO.

The public offerings mark a notable shift in what increasingly appears to be the biotech industry's turnaround story. After hitting a high in 2021, biotech stocks have struggled, weighed down by economic policies, regulatory uncertainty, and traders' waning interest in the high costs and low success rate of drug development. As a result, most biotechs have shied away from going public. Just 11 biotechs completed an IPO last year — the lowest number in 15 years.

The real test, experts said, was how Eikon Therapeutics' market launch was received. Eikon is a cell biology-focused startup run by Roger Perlmutter, the former head of Merck's R&D team. The company uses high-end microscopes to screen drug candidates, and has been viewed as heavily research focused. Almost all of the drugs that it is currently testing in clinical trials were licensed from other biotech companies.

Eikon's IPO was of particular interest because it's considered to be a platform company — a biotech that spends significant amounts of money building a central research tool or scientific mechanism that it uses to develop new medicines. Eikon, in particular, raised around $1.1 billion from private investors over the last six years. Investments in platform companies have generally fallen out of favor during the industry's cash crunch.

"There's been a move away from platform plays … [but] the sentiment around Eikon is maybe saying there's a little bit more appetite than I had seen previously. With Generate, there might be another class of companies that emerge in IPO," said Ben Zercher, senior biotech and pharma analyst at Pitchbook. Both Eikon and Veradermics, a company that is testing what it believes will be a better treatment for hair loss, priced their stock higher than expected for their launches. Agomab and Spyglass picked an initial stock price in the middle of forecasts.

Eikon's IPO wasn't a clear success for everyone. The company's initial $18 share price was lower than the average value during private financing rounds. "The reality is that it's an upsized IPO, but a down round. They took a haircut," Zercher said.

Eikon's stock was down 10% by mid-day Friday, while Veradermics stock was up around 6%.

Source: https://www.statnews.com/2026/02/06/biotech-ipos-public-offerings-eikon/

Biotech IPO After-Market Performance Has Been Strong

The chart at right shows that the mean one-day post-offering performance of IPO's has been 15.5% and mean offer to current has been 15.7%.

In contrast, follow-on's dating back to December have been followed by mean offer to current performance of 3.5%.

IPO step ups have been modest with a mean of only 1.1X. This reflects the fact that many companies were first financed in the Pandemic period when valuation levels were higher than now.

IPO's highlighted in yellow included Stifel as a bookrunner.

30 Most Recent Biotech IPOs

($ in millions)

Issuer	Offer Date	Issuance Amount	Pre-Money Valuation	Pricing vs. Range	Step-Up	Price Change Offer to Day 1	Price Change Offer to Current
AgomAb Therapeutics NV	02/05/26	$200.0	$674.9	Midpoint	1.2x	(8.4%)	(8.4%)
SpyGlass Pharma, Inc.	02/05/26	150.0	399.4	Midpoint	1.2x	65.0%	65.0%
Eikon Therapeutics, Inc.	02/04/26	381.2	638.8	High End	0.4x	(16.7%)	(19.4%)
VeraDermics, Inc.	02/03/26	256.3	356.1	$1.00 Above	1.3x	122.1%	126.4%
Aktis Oncology, Inc.	01/08/26	317.7	700.8	High End	1.2x	24.4%	5.4%
Evommune, Inc.	11/05/25	150.0	393.7	Midpoint	1.2x	26.4%	8.2%
MapLight Therapeutics, Inc.[3]	10/26/25	258.9	561.3	Fixed Price	1.1x	7.9%	(0.1%)
LB Pharmaceuticals Inc.	09/10/25	285.0	53.3	Midpoint	0.4x	15.3%	58.8%
Aardvark Therapeutics, Inc.	02/12/25	94.2	260.7	Low End	1.1x	(10.6%)	(20.9%)
Sionna Therapeutics, Inc.	02/06/25	190.6	619.6	High End	1.3x	38.9%	100.6%
Maze Therapeutics, Inc.	01/30/25	140.0	590.7	Midpoint	1.2x	(0.3%)	181.4%
Metsera, Inc.	01/30/25	275.0	1,697.8	$1.00 Above	1.5x	47.2%	NA
Ascentage Pharma Group[4]	01/23/25	126.4	1,370.6	Below	NA	0.8%	42.1%
Septerna, Inc.	10/24/24	288.0	509.3	$1.00 Above	1.7x	18.9%	41.2%
Upstream Bio, Inc.	10/10/24	255.0	693.0	High End	1.0x	29.4%	54.1%
CAMP4 Therapeutics Corp.	10/10/24	75.0	146.2	Below	0.7x	(2.5%)	(65.1%)
BioAge Labs, Inc.[5]	09/25/24	208.6	451.9	Midpoint	1.2x	1.7%	15.2%
Bicara Therapeutics Inc.	09/12/24	315.0	689.7	High End	1.4x	30.1%	(14.7%)
Zenas BioPharma, Inc.	09/12/24	225.0	484.7	Midpoint	1.1x	6.8%	28.2%
MBX Biosciences, Inc.	09/12/24	163.2	375.1	High End	1.3x	47.8%	135.4%
Artiva Biotherapeutics, Inc	07/18/24	167.0	122.8	Below	0.2x	0.0%	(66.4%)
Alumis, Inc.[6]	06/27/24	250.0	676.1	Low End	1.1x	(16.9%)	63.7%
Rapport Therapeutics, Inc.[7]	06/06/24	154.0	479.4	Midpoint	1.2x	22.4%	59.4%
Contineum Therapeutics, Inc.	04/04/24	110.0	319.2	Low End	1.1x	(3.8%)	(6.3%)
Boundless Bio, Inc.	03/27/24	100.0	295.8	Midpoint	1.2x	(10.9%)	(92.8%)
Metagenomi Technologies, LLC	02/08/24	93.8	469.2	Low End	0.6x	(31.3%)	(89.7%)
Kyverna Therapeutics, Inc.	02/07/24	319.0	652.3	$3.00 Above	2.6x	36.4%	(64.0%)
Alto Neuroscience, Inc.	02/01/24	128.6	321.8	High End	1.5x	29.4%	(4.9%)
Fractyl Health, Inc.	02/01/24	110.0	606.6	Midpoint	0.8x	(14.3%)	(97.2%)
ArriVent BioPharma, Inc.	01/25/24	175.0	435.1	Midpoint	1.1x	11.1%	21.4%
Last 30 IPO Summary Statistics:							
Mean		**$198.7**	**$534.9**		**1.1x**	**15.5%**	**15.7%**
Median		**$182.8**	**$482.1**		**1.2x**	**9.5%**	**8.2%**

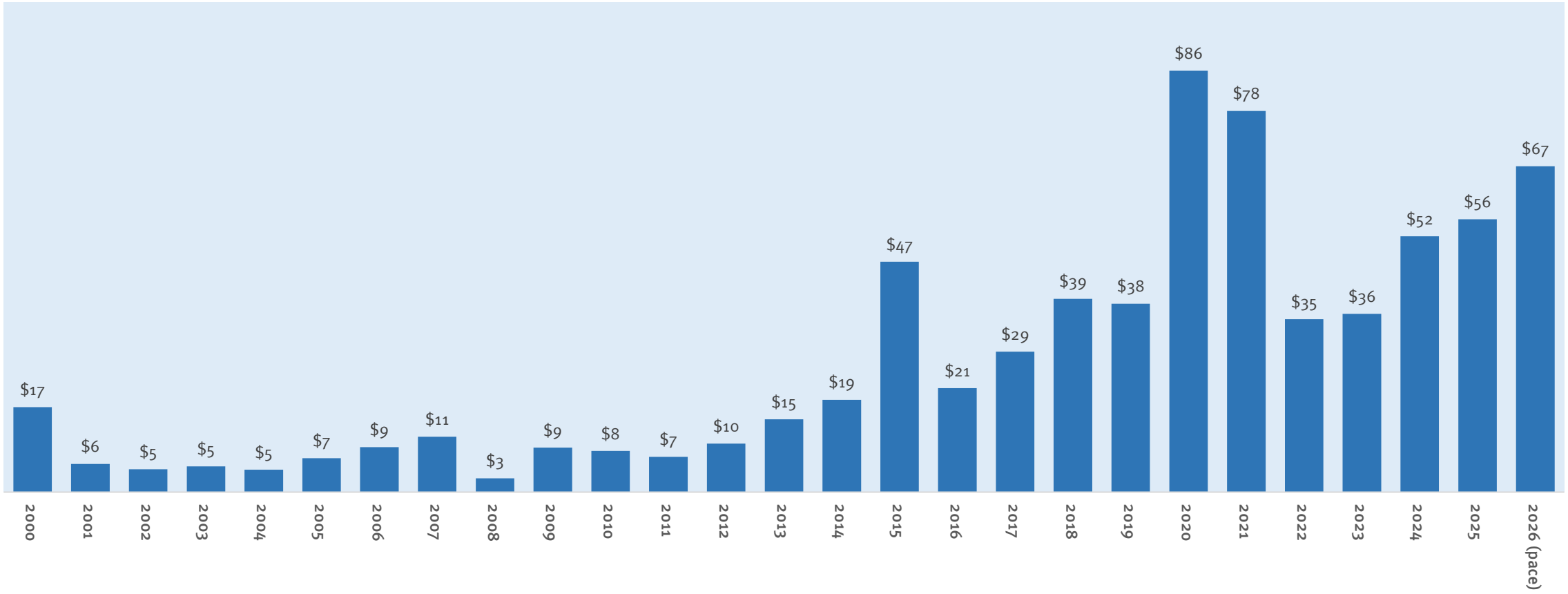
Source: Stifel Investment Banking Dept.

Global Follow-On Market Also Looking Strong This Year

The follow-on market has shown a substantial pickup in activity as the XBI has begun to rise and normalization has spread throughout the markets. We saw $6 billion in deals price so far in January and activity remains robust in February.

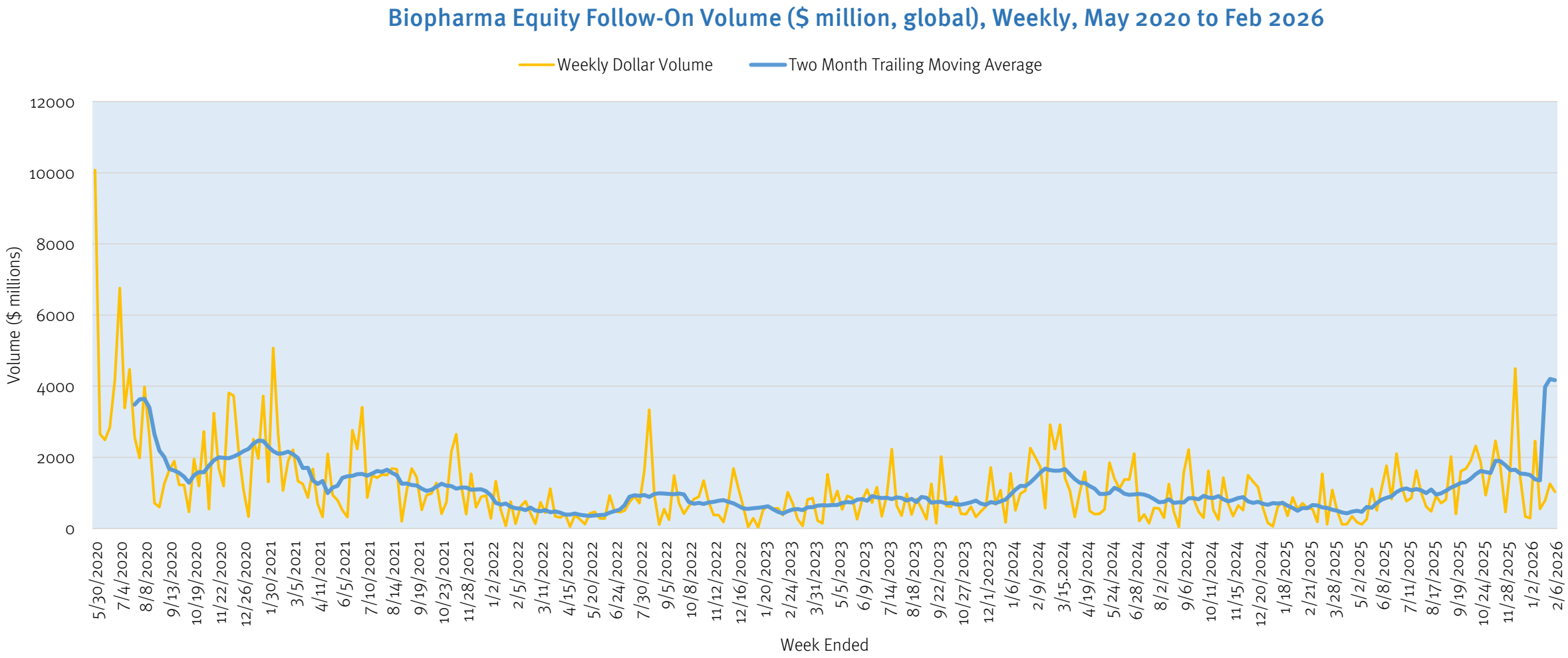
Follow-On Equity Issuance in the Biopharma Sector, 2000 - 2026 (annualized)

($ Billions, Worldwide)



Source: Data from CapitalIQ. Note: Data for 2026 is annualized based on results through January 2026.

Weekly Activity in Biotech Follow-On Market Shows Pick Up in Activity Starting in 2026



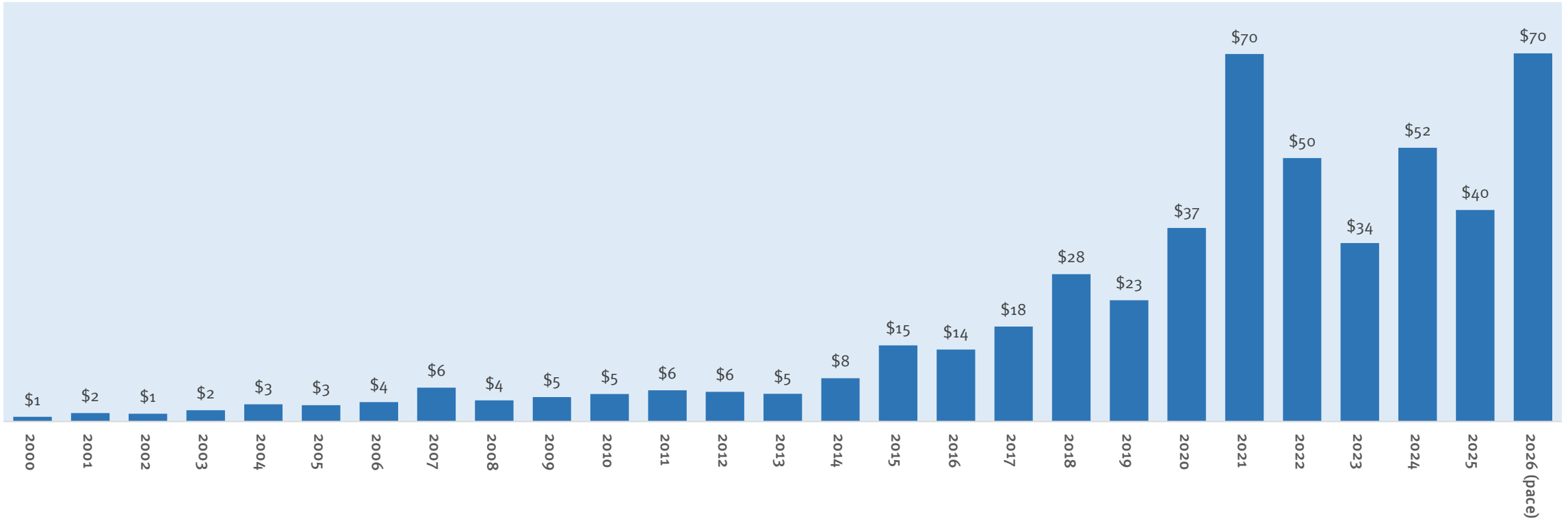
Source: Data from CapitalIQ and Crunchbase.

Venture Equity Market Running Very Strong in 2026

The venture equity market has shown a substantial pickup in activity as normalization has spread throughout the markets. We saw nearly $6 billion in deals hit the market in January as VC's anticipate a strong IPO market to come. The total deal pace is nearing the record level set in 2021. The year is early, and we are doubtful that this year will set the record to total venture equity raised – given just how strong things were in 2021. On the other hand, the participation of public investors in crossover rounds remains modest and it is possible that further entry of public funds into the venture market this year could cause the deal pace to pick up along with valuations. This was a persistent topic at our Ski Conference last week as many public fund managers were wondering out loud if they should get a lot more active in the "privates" market.

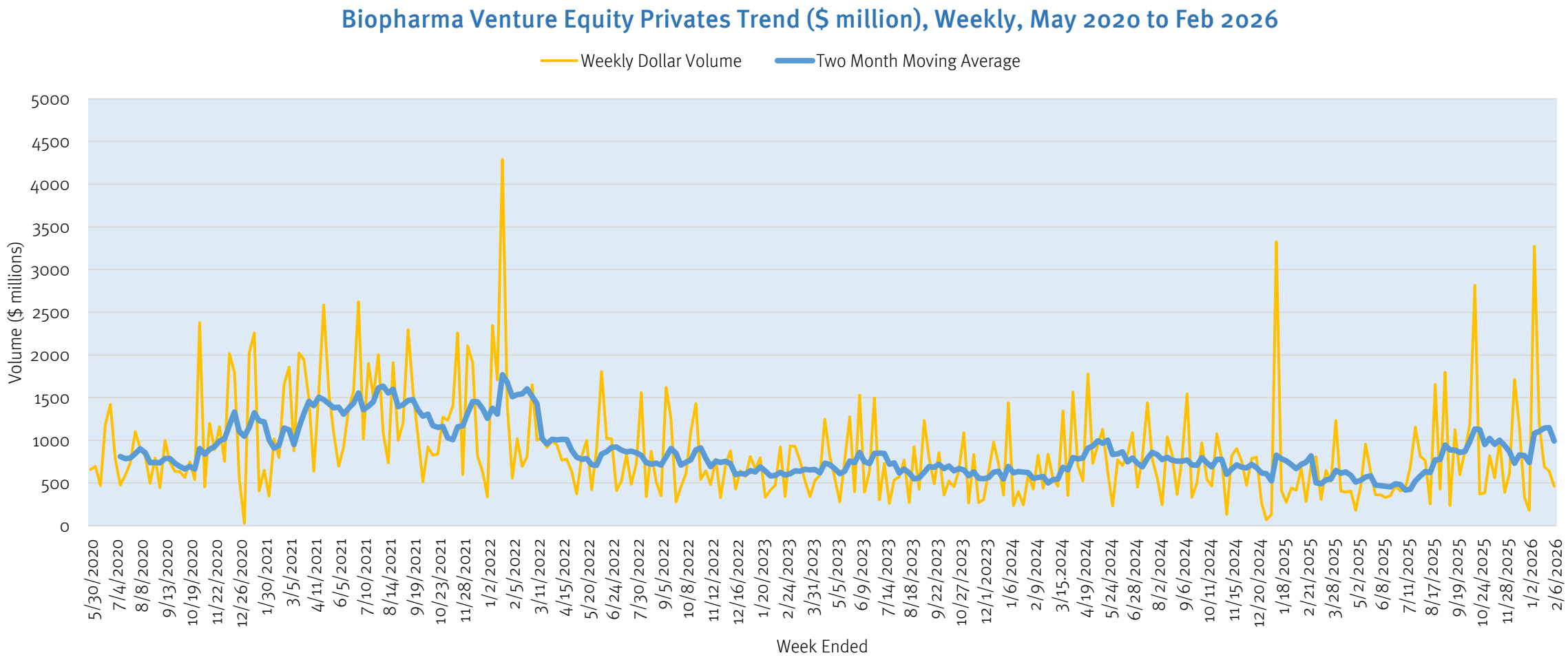
Venture Equity Raised in the Biopharma Sector, 2000 - 2026 (annualized)

($ Billions, Worldwide)



Source: Data from CapitalIQ. Note: Data for 2026 is annualized based on results through January 2026.

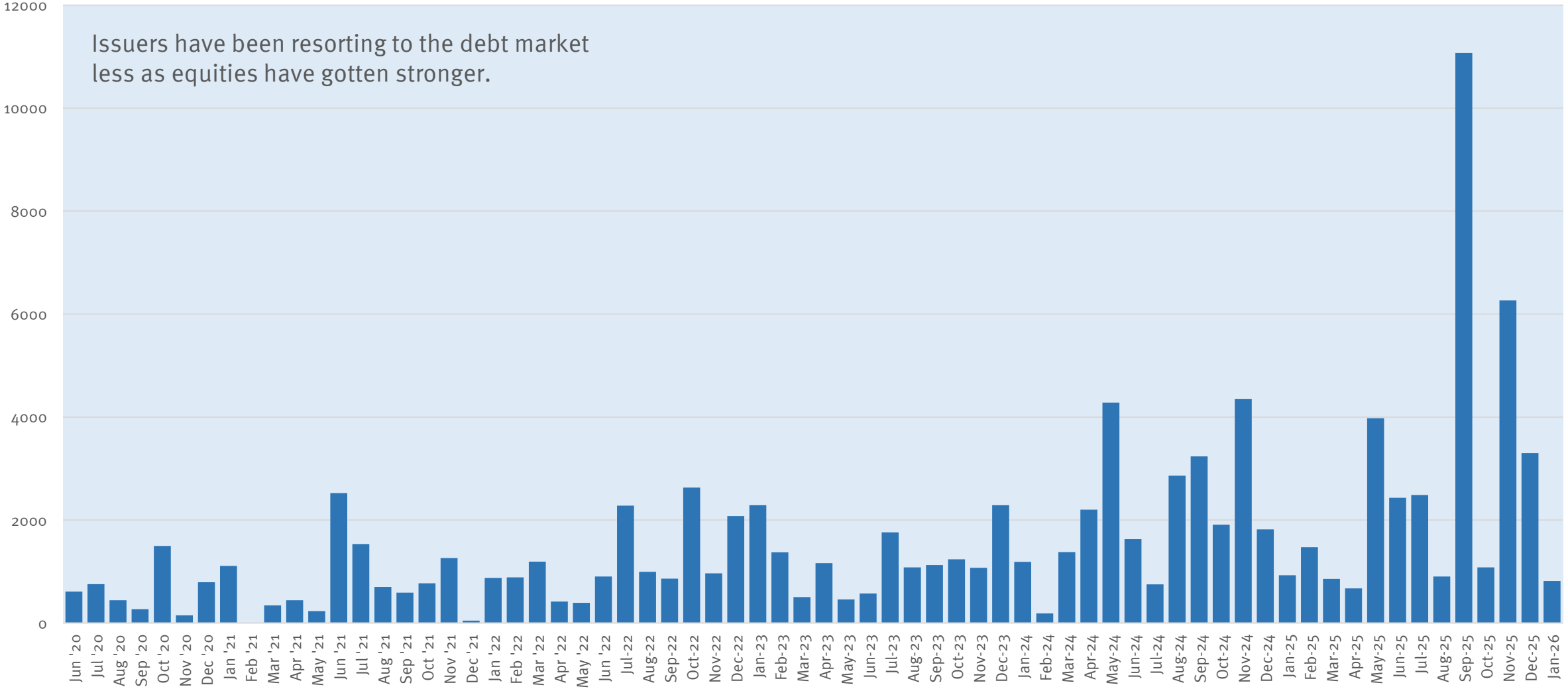
Weekly Activity in Venture Privates Market Shows Pick Up in Activity Starting in Q4 Last Year



Source: Data from CapitalIQ and Crunchbase.

Biopharma Private Debt Placement Volume Down Substantially

Private Debt Issuance ($volume, $mm), Jun 2020 to Jan 2026

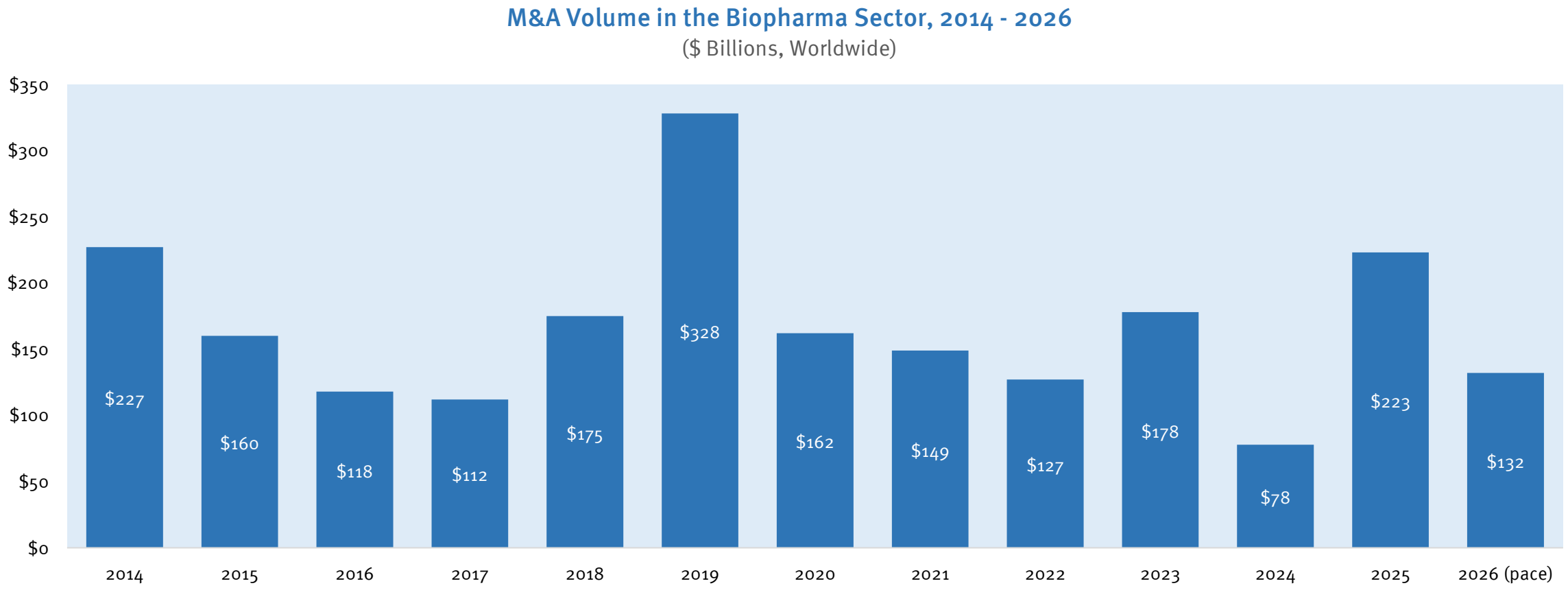


Source: Data from CapitalIQ, Crunchbase.

M&A Update

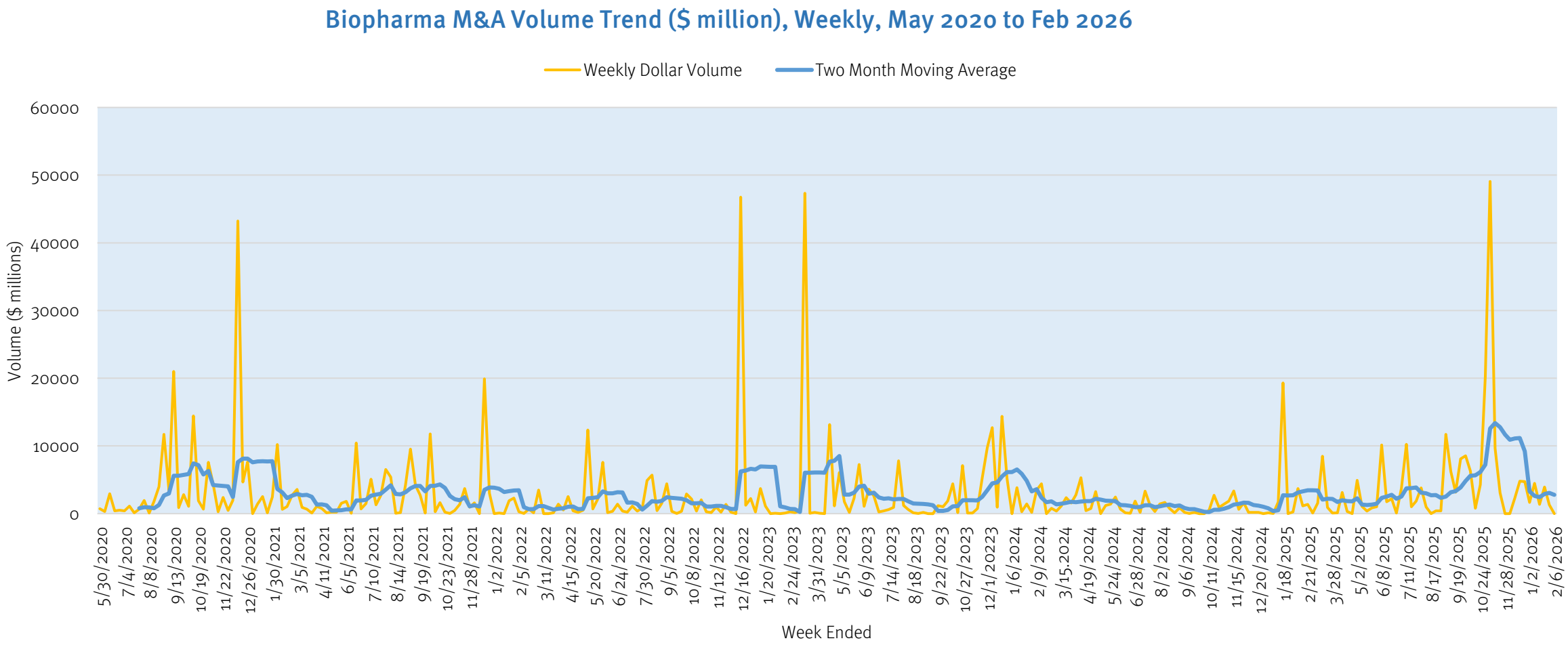
M&A Market Activity in 2026 Has Slowed

We haven't seen any deals this year over $3 billion. Not surprisingly then, the pace of M&A based on January numbers is well below last year's result. Perhaps the most interesting thing is how much M&A took place in January ($11 billion) given that there were no large deals. Our own interpretation is that the market is going through a bit of a "repricing period" as buyers have to deal with higher demands for price after the Q4 bull run in the market. As we noted in our January issue, private conversations with buyers indicate that the willingness remains to buy at current market prices.

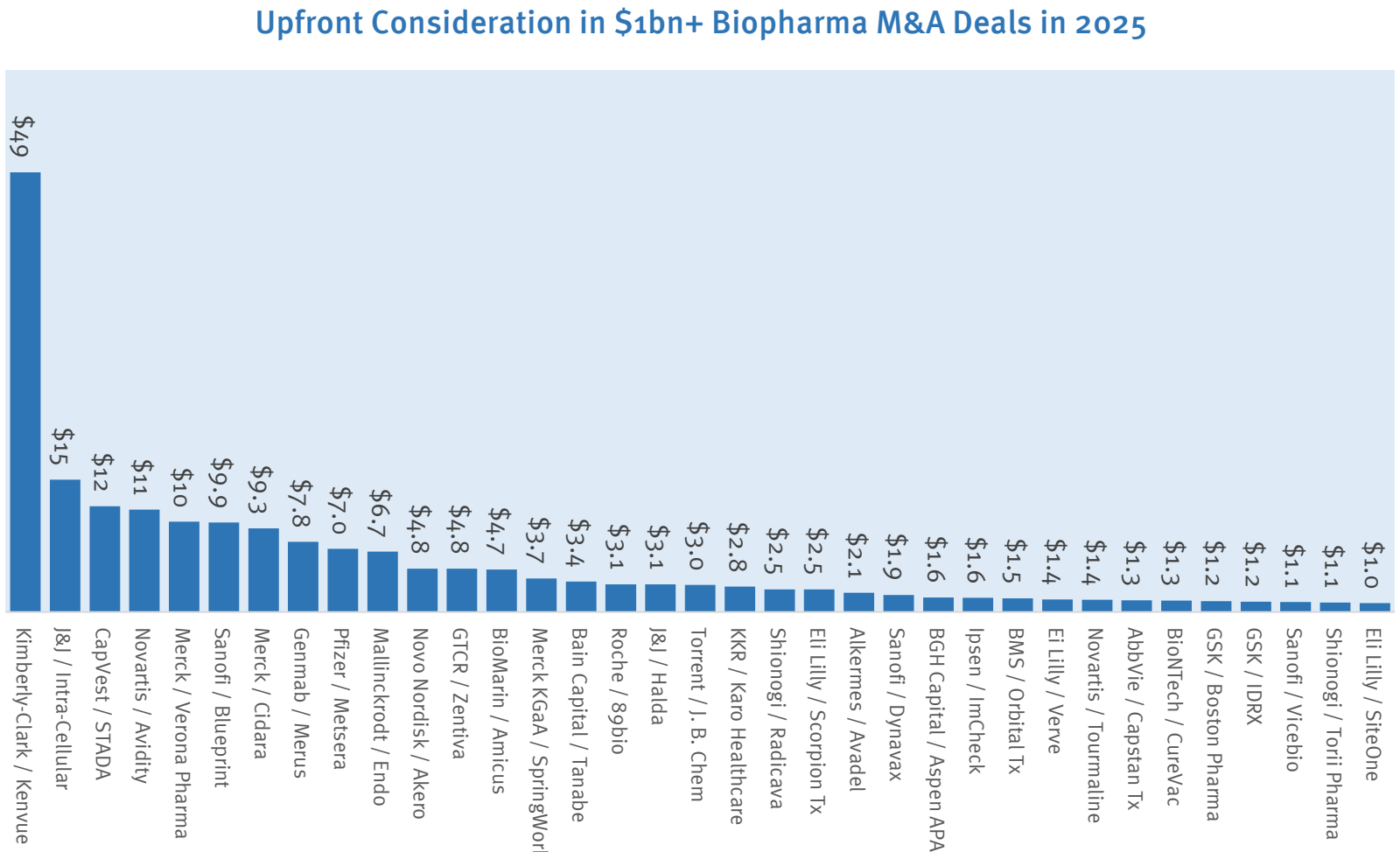


Source: Data from CapitalIQ. Note: Data for 2026 is annualized based on results through January 2026.

Biopharma M&A Market Quite Slow Last Week



Have Fundamental Drivers of High M&A Levels Changed?



Last year saw 35 M&A deals for $1 billion or more in consideration. That works out to 0.67 billion-dollar deals a week (35 deals in 52 weeks; see chart at left).

This year has seen 0.8 billion-dollar deals a week (4 deals in 5 weeks).

If anything, the pace of meaningful deals is higher in 2026 than 2025.

However, what we haven't seen are larger deals.

Yet.

But there were only 17 deals all of last year of $3bn or more in size. Thus, it isn't so surprising that we have yet to see a deal in that size range. Tech geeks would call this a Poisson Process. We see no statistical evidence that M&A activity in slowing down in 2026.

Novartis Sticks With M&A Strategy of Building Early Pipeline, Searching for Near-Launches

Tristan Manalac, *Biospace*, Feb 4, 2026 (excerpt)

Novartis will still be on the lookout for early-stage deals under $2 billion, and later-stage agreements around a product that could reach the market within five years, CEO Vas Narasimhan said Wednesday.

After back-to-back-to-back big-ticket acquisitions in 2025, Novartis appears to have no plans to slow down. CEO Vas Narasimhan told reporters Wednesday that the pharma's dealmaking strategy will remain largely the same in 2026, with the goal of beefing up both its early- and late-stage pipelines.

"There's really no change in our M&A strategy," Narasimhan said Wednesday morning during a media call to present the pharma's 2025 earnings results. "We've been really consistent in wanting to build out our early-stage pipeline" with deals in the "sub-$2-billion range."

At the same time, Novartis is also on the lookout to "bring in medicines that could launch in the next five years," Narasimhan added. To this end, he pointed out, the pharma has taken several major steps: Last October, the company acquired Avidity Biosciences for approximately $12 billion in an agreement that would turn out to be one of 2025's largest.

The previous month, the pharma made a $1.4 billion bet to swallow Tourmaline Bio, which followed a $3.1 billion play in February 2025 to absorb the privately held Anthos Therapeutics. All three of these acquisitions gave Novartis a clutch of mid- to late-stage assets to advance to the market.

Source: https://www.biospace.com/business/novartis-sticks-with-m-a-strategy-of-building-early-pipeline-searching-for-near-launches

Recent Biotech M&A Rumors

When it comes to biopharma M&A rumors not all that glitters in press turns out to be gold. In the next several pages, we dig into historical data to further understand whether the recent failure of Abivax and Revolution Medicines rumors to materialize is a fluke or, instead, predictable.

Merck in talks to buy cancer drugmaker Revolution Medicines for up to $32bn

US company is attempting to acquire the maker of a new treatment for pancreatic cancer

Merck has been on a buying spree to fill an impending revenue hole when cancer treatment Keytruda begins to lose patent protection in 2028 © Mario Georgiev/Getty Images

Oliver Barnes and **Patrick Temple-West** in New York

Published JAN 8 2026 | Updated JAN 8 2026, 19:51

US pharmaceutical group Merck is in talks to buy Revolution Medicines, a cancer drugmaker with a market capitalisation of more than $20bn in what would be the latest big deal in the red-hot biotechnology sector.

Merck has not finalised a deal for the Redwood City, California-based biotech, said people familiar with the matter. A tie-up would be at least several weeks away, they added.

LA LETTRE

Sanofi makes fresh play for Ocular Therapeutix

The French pharmaceutical group and its chief executive, Paul Hudson, are preparing an improved bid to acquire the US biotech start-up. Its initial offer of $16 per share was rejected by the US biotech's board.

Sanofi is stepping up its acquisitions to strengthen its portfolio of innovative treatments. After announcing the takeover of US hepatitis B and shingles vaccine specialist **Dynavax Technologies** in late December, the French pharmaceutical giant has set its sights on another US biotech company. According to information obtained by *La Lettre*, the group led by **Paul Hudson** wants to acquire **Ocular Therapeutix**, a start-up specialising in treatments for eye diseases.

JPM26: Eli Lilly reportedly eyes €15bn takeover of Abivax

Abivax's lead asset is obefazimod, an anti-inflammatory drug that has produced positive Phase III results.

Robert Barrie | January 12, 2026

Share

An Eli Lilly spokesperson told Pharmaceutical Technology that the company "does not comment on business development activity." JHVEPhoto via Shutterstock.com

Eli Lilly is reportedly looking to acquire French biotech Abivax, sending the latter company's shares surging ahead of the J.P. Morgan Healthcare Conference 2026.

Cheap Talk, Fake News and Biotech M&A Rumors

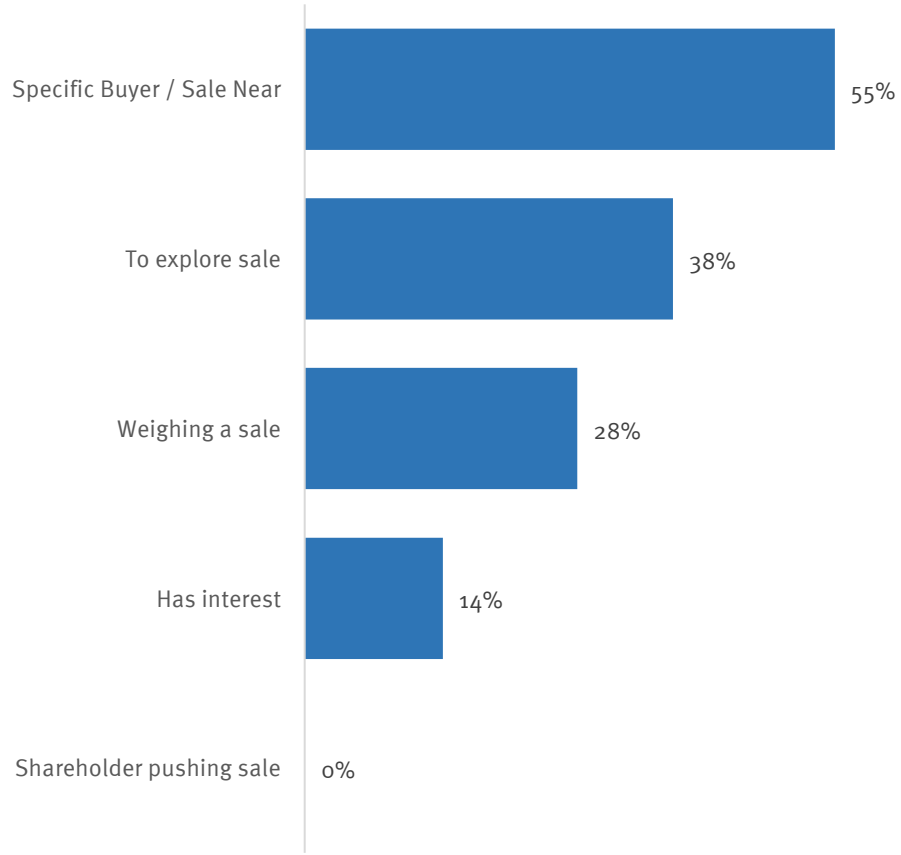
Can you trust biotech M&A rumors that appear in the press? Statistically, we find that biotech M&A rumors correctly play out only 36% of the time.

We went back and searched for stories mentioning healthcare company M&A rumors. We looked for stories via Google searches regarding interest in a sale, interest from buyers, sale processes or impending sales in the period from June 2021 to January 2026. We then went to see what happened after the story ran. If a transaction occurred in the next 12 months on the mentioned asset, this indicates that the story successfully called the outcome.

The results of this analysis indicate that a story about a specific buyer who is near to the finish line forecasts the correct outcome 55% of the time. If a story says that the seller is weighing a sale (suggesting that there is real interest in an asset), a sale happened 28% of the time. When a story indicates that a company will explore a sale, the event happened 38% of the time. When a story says that there is interest in an asset, a sale happened 14% of the time. And, when a story says a shareholder is pushing a sale, the sale happen 0% of the time.

Obviously, one should consider why a rumor is appearing in the press. Company insiders, lawyers and bankers are usually those in the know about deals to come. If a banker or lawyer tells someone in the press about an upcoming deal without their client's knowledge they are breaching trust. But there can be incentives for this to happen. A banker may have a sale process that is not going according to plan and uses the press to shop for other bidders. Indeed, rumors may be negative indicators of probability of a deal given this incentive. On the other hand, scrupulous news organizations are generally very careful about sources and will typically try to confirm stories before running them.

Probability of a Healthcare Company Sale Based on Type of News Story, June 2021 to Jan 2026 (N=103)



Source: Stifel investment banking research regarding stories featuring M&A rumors and subsequent research of events using Google and CapIQ.

Consider the Source of an M&A Rumor

In addition to the specific content of a rumor the source matters.

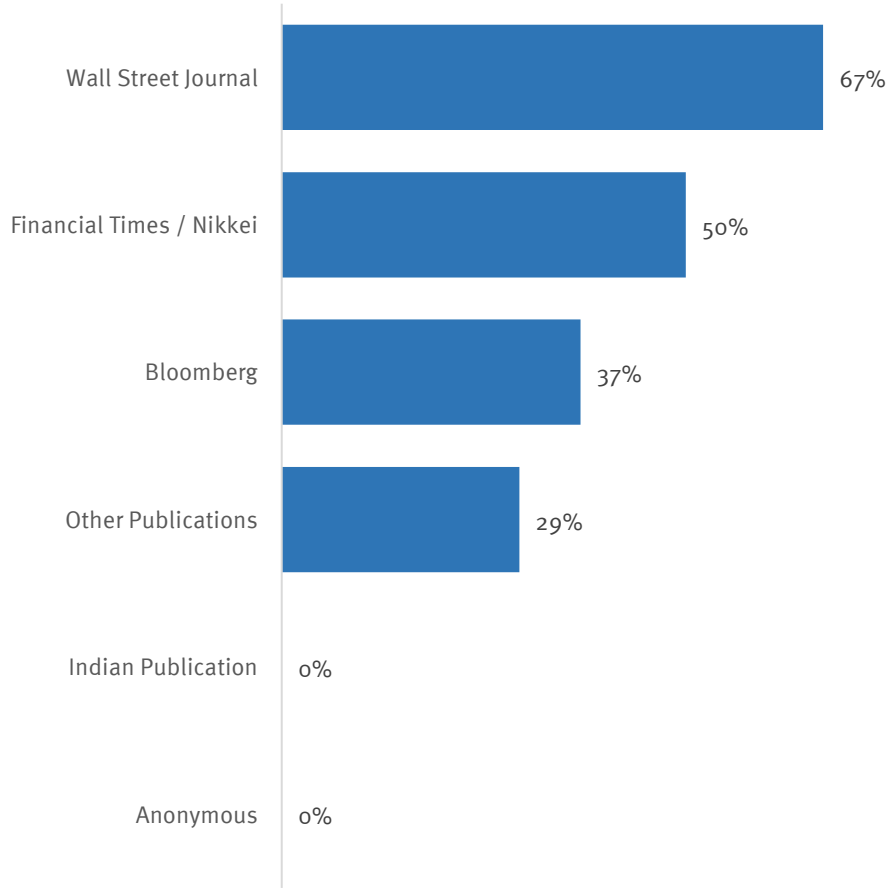
News organizations have powerful incentives to run stories featuring M&A rumors. This is because potential stock traders want to know the news and will pay more for subscriptions (or start subscriptions) to read stories. On the other hand, news organizations have incentives to avoid stories with rumors that turn out to be false. This is because false stories cheapen future interest in news of M&A rumors. Hence, one would expect news organizations with valuable readerships and long-term outlooks to be most careful with how well they check the rumors that they run.

The chart at right shows that rumors that are anonymous and not signed (e.g., on CafePharma) and those from publications in India have historically not materialized at all (at least in our sample). One, retrospectively comical rumor, appeared last year on CafePharma providing extensive detail on Otsuka Pharma's upcoming purchase of Esperion. The fake news story mentioned that Esperion would be purchased by Otsuka Pharma USA's cardiovascular division. The tricky bit is that Otsuka does not have a U.S. cardiovascular drug division.

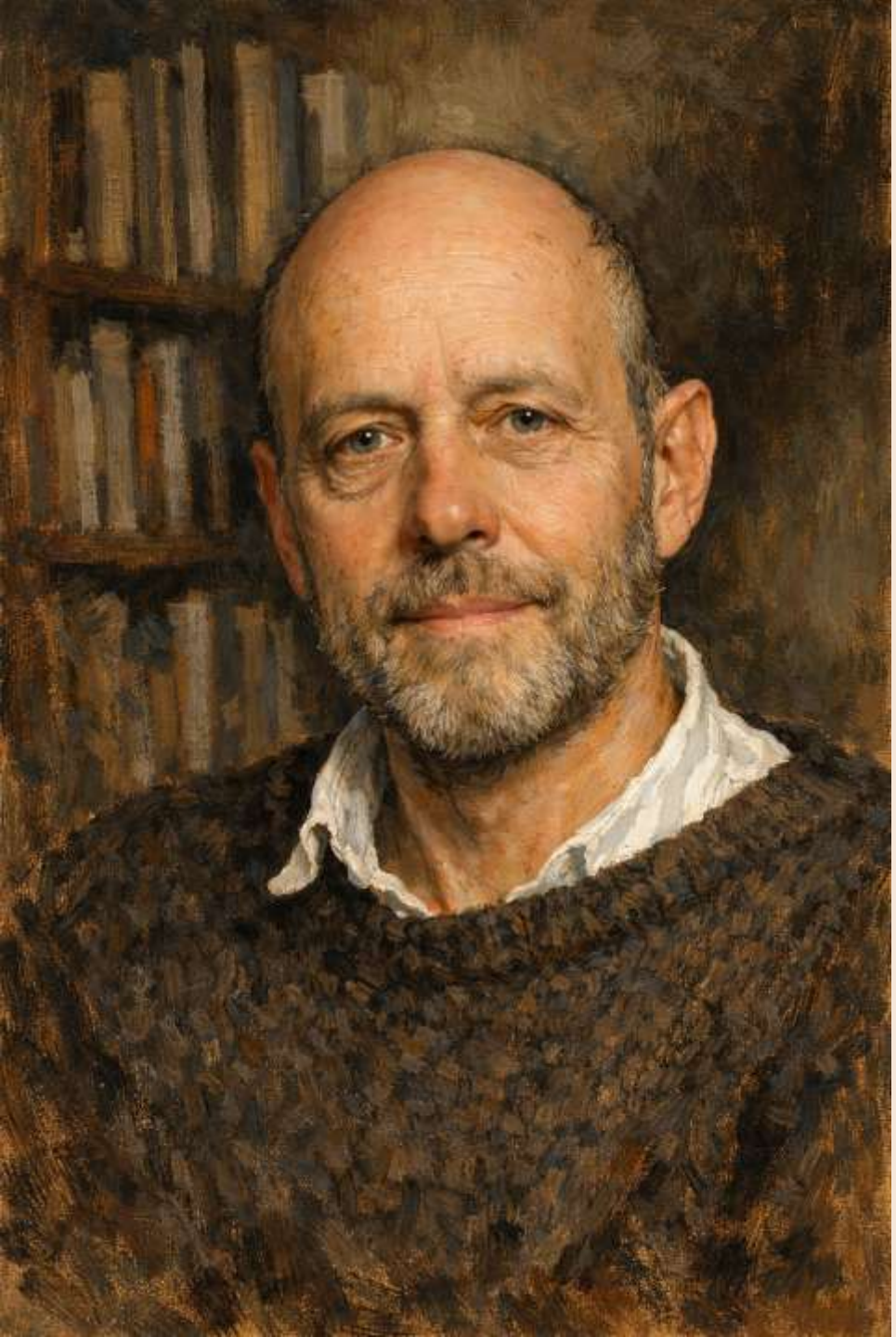
In contrast, rumors appearing in the *Wall Street Journal* materialize in a deal two thirds of the time while those in the *Financial Times* and their sister organization *Nikkei* materialize half the time.

Bloomberg rumors end up materializing 37% of the time. Importantly, *Bloomberg* carries a lot more stories that do not name specific buyers and timelines and, hence, their rumors involve much more risk. Bloomberg does a good job of qualifying what it knows so readers can appropriately handicap risk.

Probability of a Healthcare Company Sale Based on Type of News Story, Jan 2020 to Jan 2026 (N=103)



Source: Stifel investment banking research regarding stories featuring M&A rumors and subsequent research of events using Google and CapIQ.



Rumors Reflect Our Wishes & Dreams

> “The world of rumors and gossip is a world of wish fulfillment. And one of the things that gives volume and amplitude to a rumor is that it satisfies people's dreams and expectations about the world...”

James C. Scott
Political Scientist, Yale University

Source: https://gastronomica.org/2017/03/14/an-interview-with-james-c-scott/

Bain Forecast for the Type of Biopharma M&A in 2026

Four Strategic Themes

Shift to Capability-Led Deals

Focus on Platforms & End-to-End Capabilities

Vertical Integration Focus

Control R&D & Supply Infrastructure

Four Strategic Drivers

Obesity, ADCs, China & Value Chain

Sustained Deal Momentum

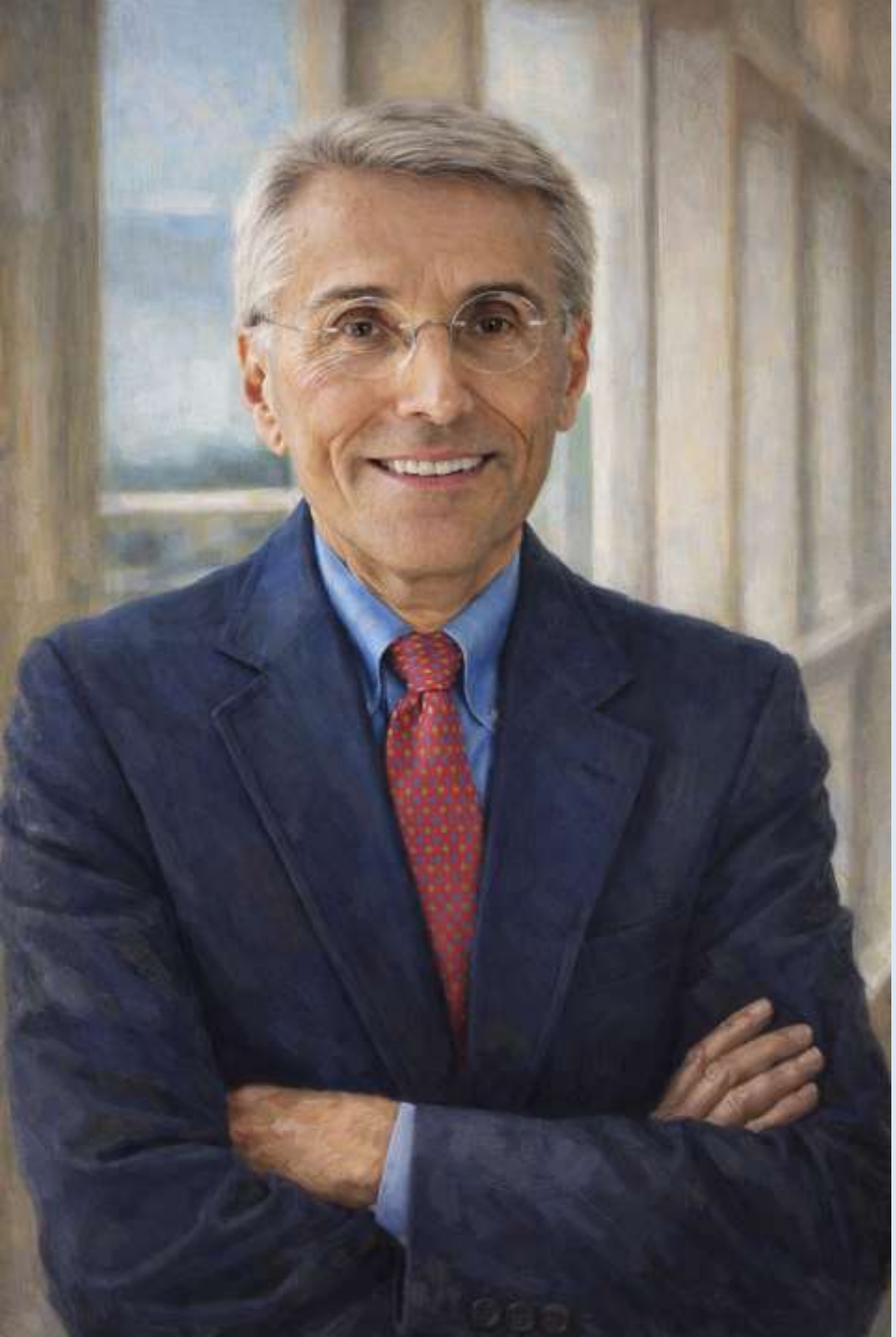
Strong M&A Growth Expected in 2026

Source: https://www.bain.com/insights/pharmaceuticals-m-and-a-report-2026/

Thoughts On Where Our Industry Needs to Go (CERSI Summit)

We very much enjoyed attending the CERSI Summit held on the Sunday before the JPM Healthcare conference last month. This photo was taken when stepping out the back for a breath of fresh air between session at the Rutter Center at UCSF.

Weill Center, UCSF, Jan 13, 2026



We Need to Integrate Trials into Healthcare Processes and EHRs

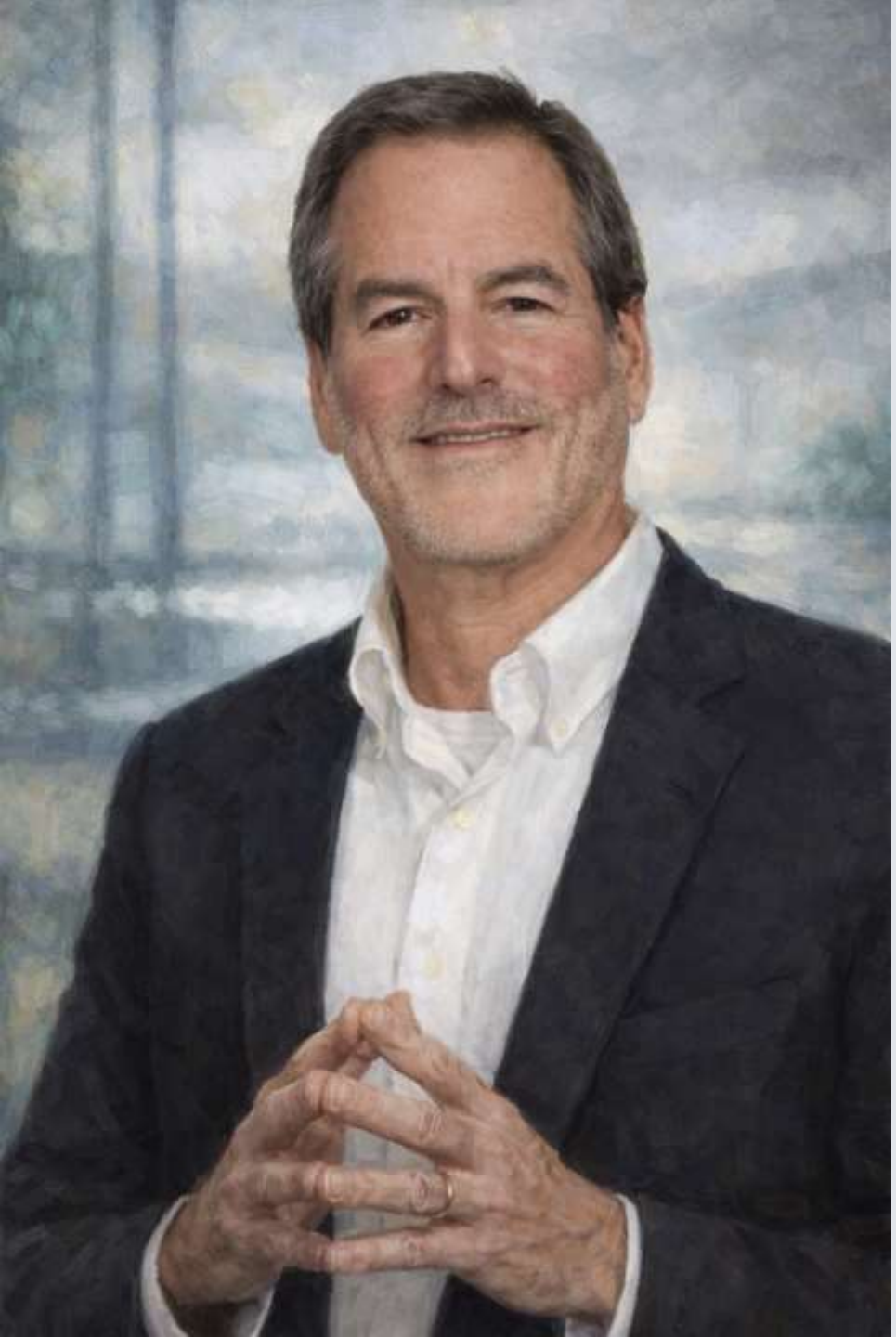
> “I really think that we have to take a look at our competitiveness in doing clinical trials in the United States. And I think we really have to leverage our existing technologies that we have in electronic health care systems and work on embedding clinical trials in that system, have a portal in those systems that allow randomization within that informed consent being collected, orders being written and then that data being transferred into a cloud that then is available to all regulatory agencies. That is my dream of what clinical trials should look like in the next years. Okay. I think that's what clinical care should look like too.”

Richard Pazdur

Retired Head of FDA CDER, Jan 13, 2026

Source: https://www.youtube.com/watch?v=P5j70aWFB-0 (min 58:30)

Dr. Pazdur received a standing ovation after speaking at CERSI.



We are Going to Shift to True Theoretical Biology

> “My history before medicine was in engineering, physics, and math. And when I think about the advances in physics over the last 150 years relative to what happened in medicine and biology, it's kind of comical. I mean, we have learned essentially how our universe works versus we’re not really sure how you get diabetes. And I think we're about with AI and massive at scale data collection going to enter a world where we have the equivalent in physics of theoretical physics. We're going to have theoretical biology and that's why physics advanced so much because there was a framework for the experimentalist to shrink their surf space and in the next who knows if it's 10 or 20 years we will be collecting data at a massive scale to understand the biology of the cell, the organ and the organism. And when we have that theoretical biology, we're going to be making predictions like the physicists do that require technology so that the experimentalists can actually catch up. But we will be seeing things and transforming the industry. So my biggest hope is that we start collecting all this data at scale in a preemptive way and realize that we need to usher in an era of theoretical biology to transform the world.”

Hal Barron

CEO, Altos Labs, Jan 13, 2026

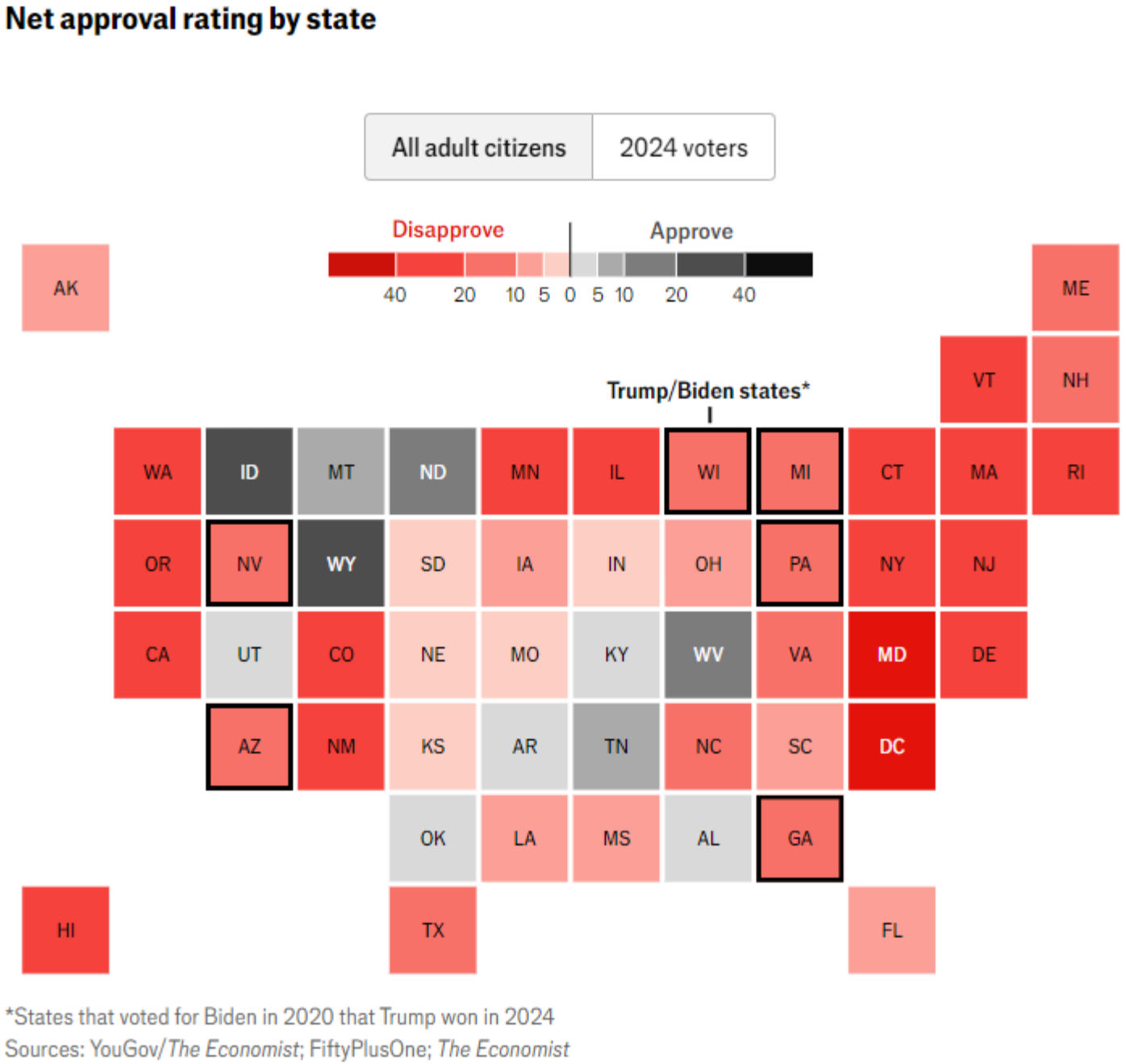
Source: https://www.youtube.com/watch?v=P5j7oaWFB-0 (min 101:25)

Industry Update

President Trump Net Approval Ratings by State

Economist, Feb 8, 2026

At this point, President Trump has a positive net approval rating in only nine states.



Source:
https://www.economist.com/interactive/trump-approval-tracker

China is the Reason Why the US's MFN Drug Pricing Experiment Will Likely be Short-Lived

Peter Kolchinsky, RA Capital, *Blog Post on Rapport*, Jan 21, 2026

China is well positioned to fill the biotech innovation gaps in the global economy that the United States leaves behind. America's "most-favored nation" drug pricing policies will present China with the opportunity to serve the world's need for innovative medicines if the US continues to isolate itself. With that isolation will eventually come higher domestic prices for the R&D and medicines Americans rely on until the American public demands that we, too, buy our innovative meds from China.

Alternatively, the US could continue to work with China to accelerate global R&D while requiring that supply chains ensure against geopolitical disruption through domestic manufacturing of our medical standards of care. Meanwhile, to get other countries to pay their fair share for medicines, the US should rely on trade pressure, not MFN.

America's mistake lies in the following: The US requires pharmaceutical companies to apply US-level drug pricing to other wealthy countries – the so-called "Most-Favored Nation" pricing policy.

As a result: If European countries, as well as Australia, Canada, and Japan, are unwilling to accept higher, US-based prices, pharmaceutical companies will be forced to choose between two options: selling at US prices only in the US market or selling globally at lower prices. For non-Chinese biopharmaceutical companies with relatively high-cost structures, prioritizing the US market remains a rational decision, even if it means sacrificing some global profits.

Near-term opportunity: Chinese biotechnology companies can discover, develop, and scale comparable drugs more efficiently and profitably sell them in other countries at the lower prices those countries are willing to pay. Chinese companies can also continue to try to compete in the US market, which is admittedly the single largest market for novel medicines. It is, however, possible that the US may restrict or block Chinese drugs from entering its domestic market.

Conclusion: Should MFN remain the US's most-favored drug pricing policy, China is well positioned to quickly fill the gap, more quickly reaching its goal of becoming a major source of biomedical innovation for the global market.

Read the full article: https://rapport.racap.com/all-stories/china-why-mfn-short-lived

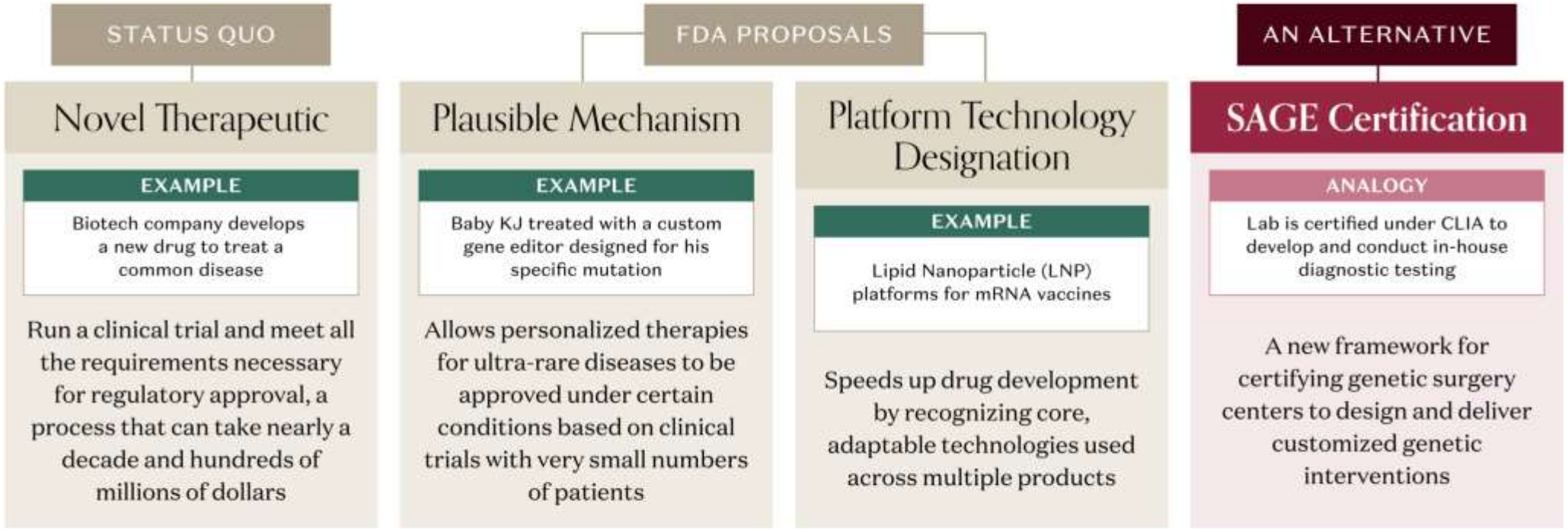
"It's easy to mistake the US being the largest market for novel medicines with America's biopharmaceutical companies, academic research institutions, and health system being essential for developing medicines for the rest of the world. The fact is, the US is the largest market for novel medicines because we *value* novel medicines and what biomedical progress can do for us more than any other nation. But the US is no longer essential for developing medicines for the rest of the world nor is it even an efficient country in which to do much drug R&D. Drug development is more expensive and slower in the US than in other countries. For example, we have less than 5% of the world's population, and it would take too long to enroll trials just in the US."

An Idea to Accelerate Customized Genetic Therapies

Jorge Conde, Andreessen Horowitz, *Blog Post*, Jan 27, 2026 (excerpt)

Read the full article: https://a16z.com/operating-on-dna-is-more-like-surgery-than-medicine/

Medicine already does high-risk interventions — think open heart surgery. The FDA regulates the devices (stents, valves, catheters) and drugs involved, but it does not regulate each bypass as a "product" because no two surgeries are alike. Surgery is overseen by state medical boards, hospital credentialing committees, professional societies, and outcomes registries; it's a systems approach rather than product-by-product approval. We already know how to regulate risky, stochastic procedures that live inside well-run institutions. A mass produced diagnostic kit, an in vitro diagnostic (IVD), is regulated by the FDA as a product that requires rigorous testing for approval – our pregnancy tests and blood glucose monitors need to be unfailingly accurate. But CMS and FDA use another playbook for homebrew tests designed and validated in-house by hospitals and reference labs. Those tests you get when they draw too many vials of blood at your doctor's office or at Quest, known as Laboratory-Developed Tests (LDTs), are regulated under Clinical Laboratory Improvement Amendments (CLIA), which certify the lab's processes, personnel, and quality systems, rather than having the FDA review each individual test a lab provides. FDA has long recognized LDTs as diagnostics in principle, but has chosen to exercise "enforcement discretion" and certify the labs as being CLIA-compliant instead of treating every LDT like a boxed product. If FDA and HHS were to use enforcement discretion, genetic surgery could live in that same regulatory friendzone. Imagine a CLIA-like approach where FDA creates a new framework for certifying qualified centers capable of designing customized genetic interventions à la Baby KJ: say, a Standards for Advanced Genetic Editing (SAGE) program – "the CLIA for interventional genetics." Instead of approving every individual edit as a therapy, regulators could use SAGE certification to approve validated platforms (specific prime-editing systems, delivery vehicles) and the process for designing customized, one-off genetic interventions. Like CLIA, SAGE would make accredited centers, not individual edits, the primary unit of regulation.



Health Insurers Negatively Impacted by Tepid Medicare Rate Increases

Tom Jacobs, *S&P Market Intelligence*, Jan 30, 2026 (excerpt)

Shares in US health insurers declined sharply this week after the Centers for Medicare and Medicaid Services (CMS) released a preliminary payment proposal for Medicare Advantage that fell well short of expectations.

CMS, after/ the close of the stock market on Jan. 26, published a proposed 0.09% rate increase in 2027 for private insurers that provide Medicare Advantage services, while insurers and analysts had been anticipating a 4% to 6% rate hike. CMS' preliminary rates, which help insurers determine the rates they will charge, are usually revised higher.

Medicare is a federal program providing health insurance to seniors and people with certain disabilities that can then be supplemented through Medicare Advantage programs offered by private health insurers.

The news triggered steep price drops for managed care insurers. As of market close on Jan. 29, the companies with the biggest declines from market close on Jan. 23 included Humana Inc., down 26.2%; UnitedHealth Group Inc., down 18.0%; Molina Healthcare, Inc., down 8.4%; Elevance Health Inc., down 6.6%; and Centene Corp., down 5.8%.

The S&P 500 was up 0.27%, and the S&P 500 Insurance Index rose 0.49% over the same period.

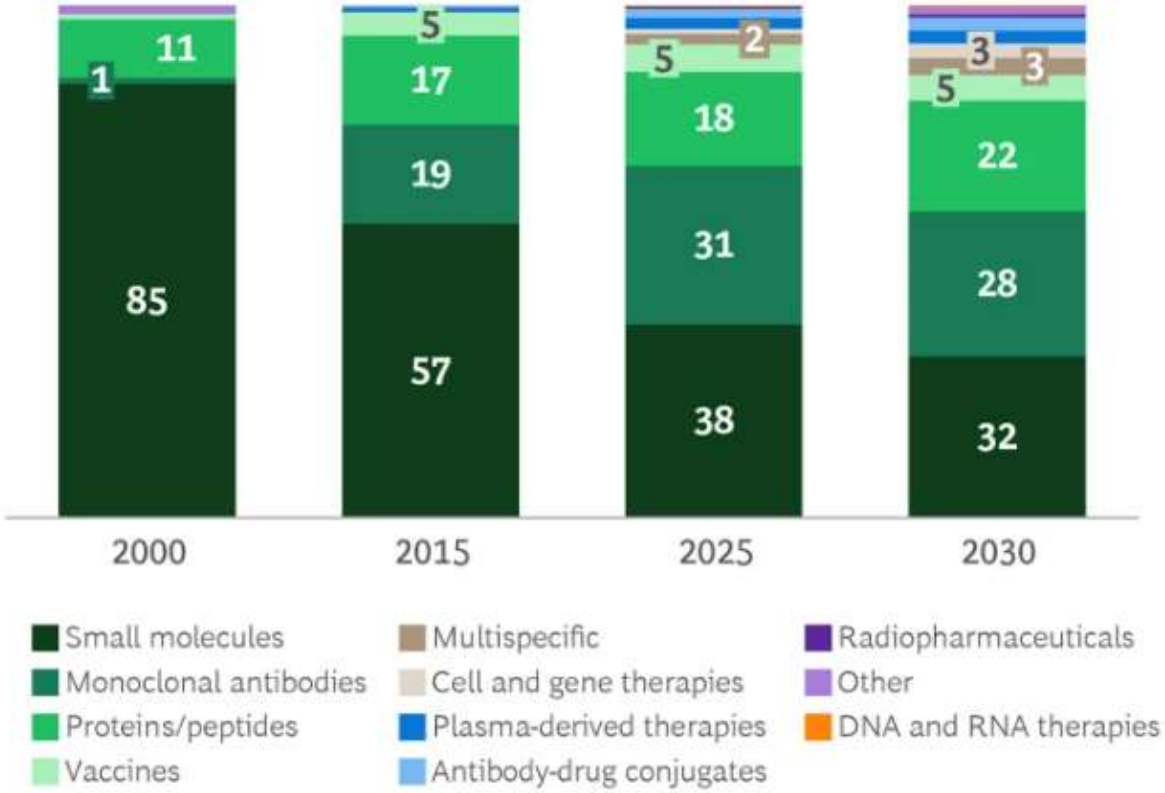
Source: S&P Market Intelligence on CapitalIQ

The Focus of Biotech Innovation Is Now on Large Populations

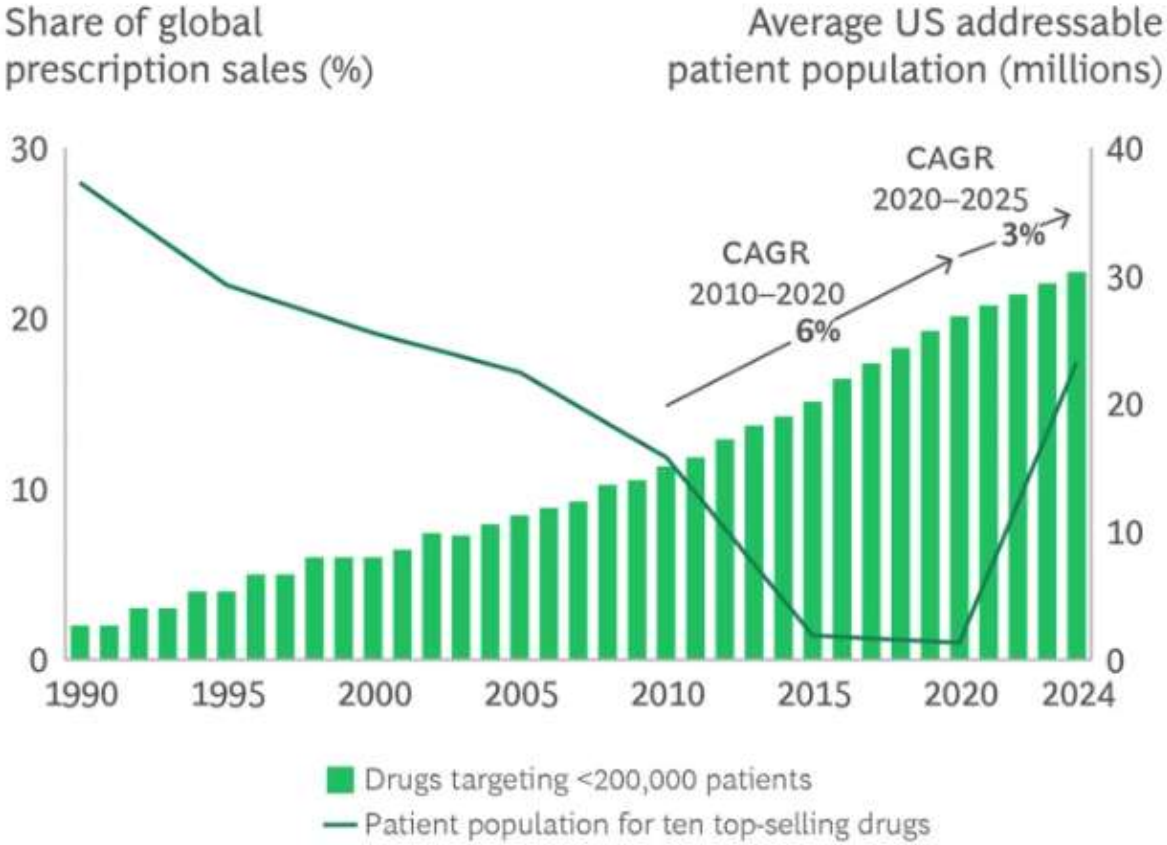
BCG Analysis, January 2026

Novel modalities are routinely approved and make up an increasing share of total product sales

Branded-prescription blockbuster sales of the top 20 pharma companies, 2000–2030 (%)



Re-emergence of large-population indications in top ten products, driven by GLP-1s and immunology



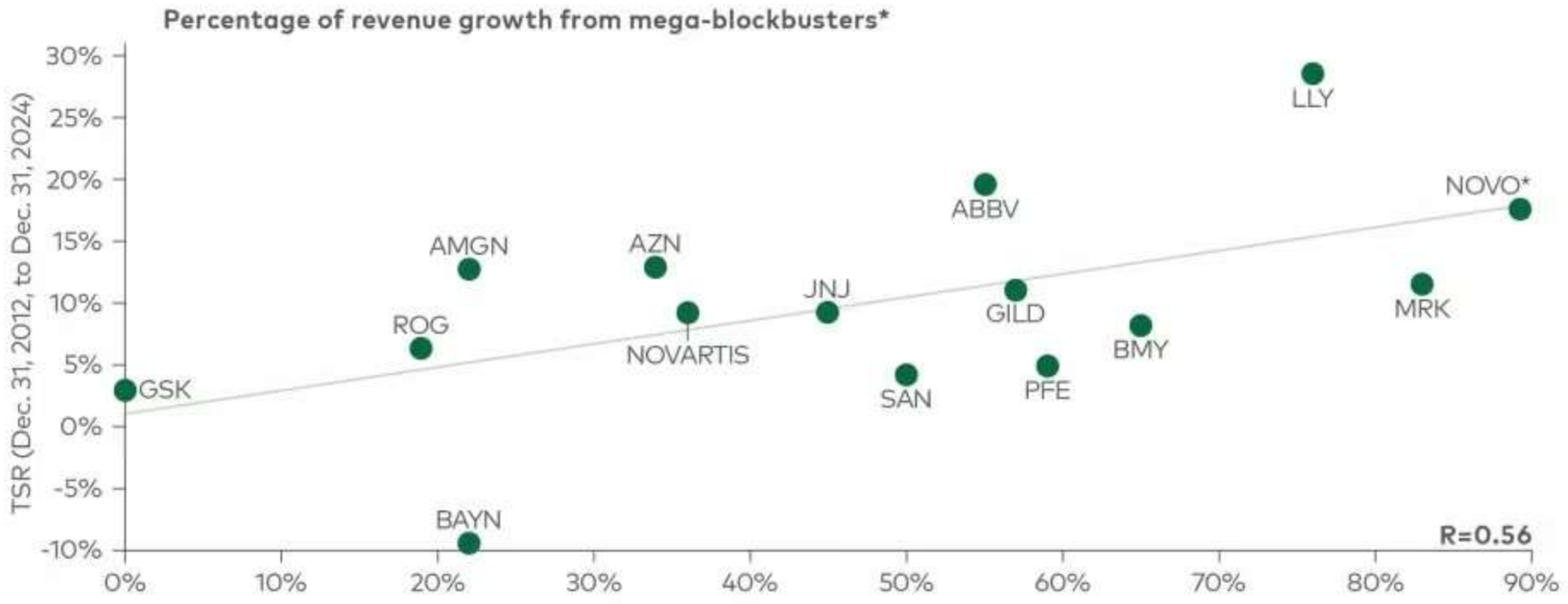
Source: https://www.bcg.com/publications/2026/reimagining-business-models-biopharma-trends

Sources: Clarivate DRG; Evaluate Pharma; National Organization for Rare Diseases; BCG analysis.

LEK: Pharma Growth Increasingly Tied to Very Large Drugs

Figure 2

Large pharma reliance on mega-blockbusters ($5B+)



*NOVO=Novo Nordisk, among assets whose revenue increased from 2013 to 2024, percentage of growth from assets reaching $5 billion in WW revenue by 2024

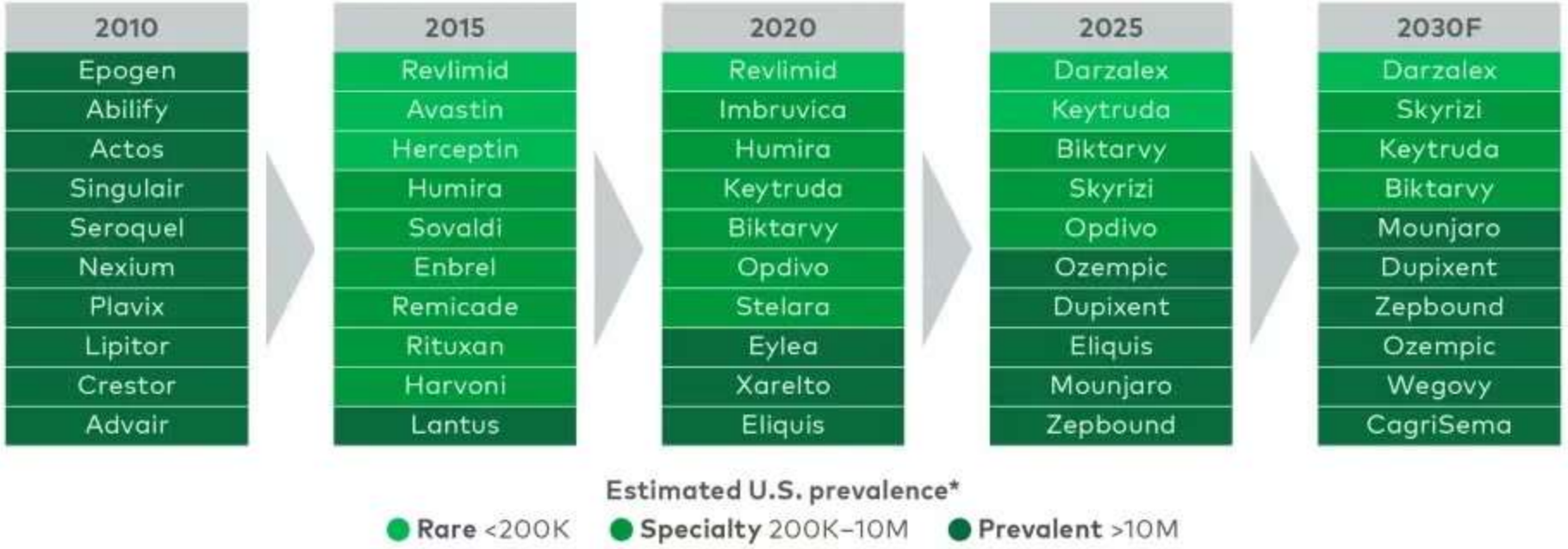
Source: S&P Capital IQ

Source: https://www.lek.com/insights/hea/global/ei/pursuit-prevalent-disease-where-next-mega-blockbusters-will-be-built

LEK: Drugs for Larger Populations are Making a Comeback

Figure 3

Top 10 selling pharmaceutical products, by year



*High-level estimate of total eligible U.S. population across indications; for I&I therapies, counts only advanced therapy-eligible patients; for oncology therapies, estimate of annual incident population for all approved indications

Source: Evaluate Pharma; S&P Capital IQ; CDC; NIH; Sanofi investor materials

Source: https://www.lek.com/insights/hea/global/ei/pursuit-prevalent-disease-where-next-mega-blockbusters-will-be-built

US Announces Crackdown on Copycat Weight-Loss Drugs

Patrick Temple-West and Peter Wells, *Financial Times*, February 6, 2026 (excerpt)

The US drug regulator plans to crack down on copycat versions of popular weight-loss drugs sold by Hims & Hers, just hours after the US telehealth company said it would undercut Novo Nordisk on the price of its popular obesity products.

The Food and Drug Administration on Friday said it would take action to restrict the sales of the active ingredients in weight-loss drugs that are compounded and not approved by the agency. The FDA specifically mentioned Hims, a San Francisco-based telehealth company that sells treatments for weight-loss, hair-loss and other maladies. The regulator also said it would combat misleading advertisements.

"The FDA will use all available compliance and enforcement tools within its authorities to address unsubstantiated claims and associated public health concerns," the agency said.

The announcement comes a day after Hims said its cheaper version of the Wegovy pill would retail at $49 a month and contain semaglutide, the same active ingredient as Novo's drug. Denmark-based Novo began selling Wegovy in the US last month for $149 a month at the lowest dose after it became the first oral version of a weight-loss drug to be approved by regulators worldwide.

Novo denounced Hims' pricing move, calling it "illegal mass compounding" and threatened legal action. Novo on Thursday said: "This is another example of Hims & Hers' historic behaviour of duping the American public with knock-off GLP-1 products, and the FDA has previously warned them about their deceptive advertising of GLP-1 knock-offs."

The FDA's move comes days before Hims is scheduled to run a television ad during the Super Bowl football game on Sunday, traditionally the most watched TV programme of the year. Last year, the FDA sent warning letters to drug companies about their ads, and said the enforcement threats were prompted in part by Hims' 2025 Super Bowl commercial.

Hims said it complies with applicable laws and has a long history of working with regulators. "[We] look forward to continuing to engage with the FDA to ensure safe access to affordable healthcare."

Source: https://www.ft.com/content/c290585e-5a08-46da-b249-910a96a0179b

Medical AI Highly Vulnerable to Contextual Errors

Li MM, Reis BY, Rodman A, Cai T, Dagan N, Balicer RD, Loscalzo J, Kohane IS, Zitnik M., "Scaling medical AI across clinical contexts," *Nature Medicine*, Feb 3, 2026.

Medical artificial intelligence (AI) tools, including clinical language models, vision-language models and multimodal health record models, are used to summarize clinical notes, answer questions and support decisions. Their adaptation to new populations, specialties or care settings often relies on fine-tuning, prompting or retrieval from external knowledge bases. These strategies can scale poorly and risk contextual errors-outputs that appear plausible but miss critical patient or situational information. We envision context switching as an emergent solution. Context switching adjusts model reasoning at inference, without retraining. Generative models can tailor outputs to patient biology, care setting or disease. Multimodal models can switch between notes, laboratory results, imaging and genomics, even when some data are missing or delayed. Agent models can coordinate tools and roles based on task and user context. In each case, context switching enables medical AI to adapt across specialties, populations and geographies. This approach requires advances in data design, model architectures and evaluation frameworks, and establishes a foundation for medical AI that scales to an infinite number of contexts, while remaining reliable and suited to real-world care.

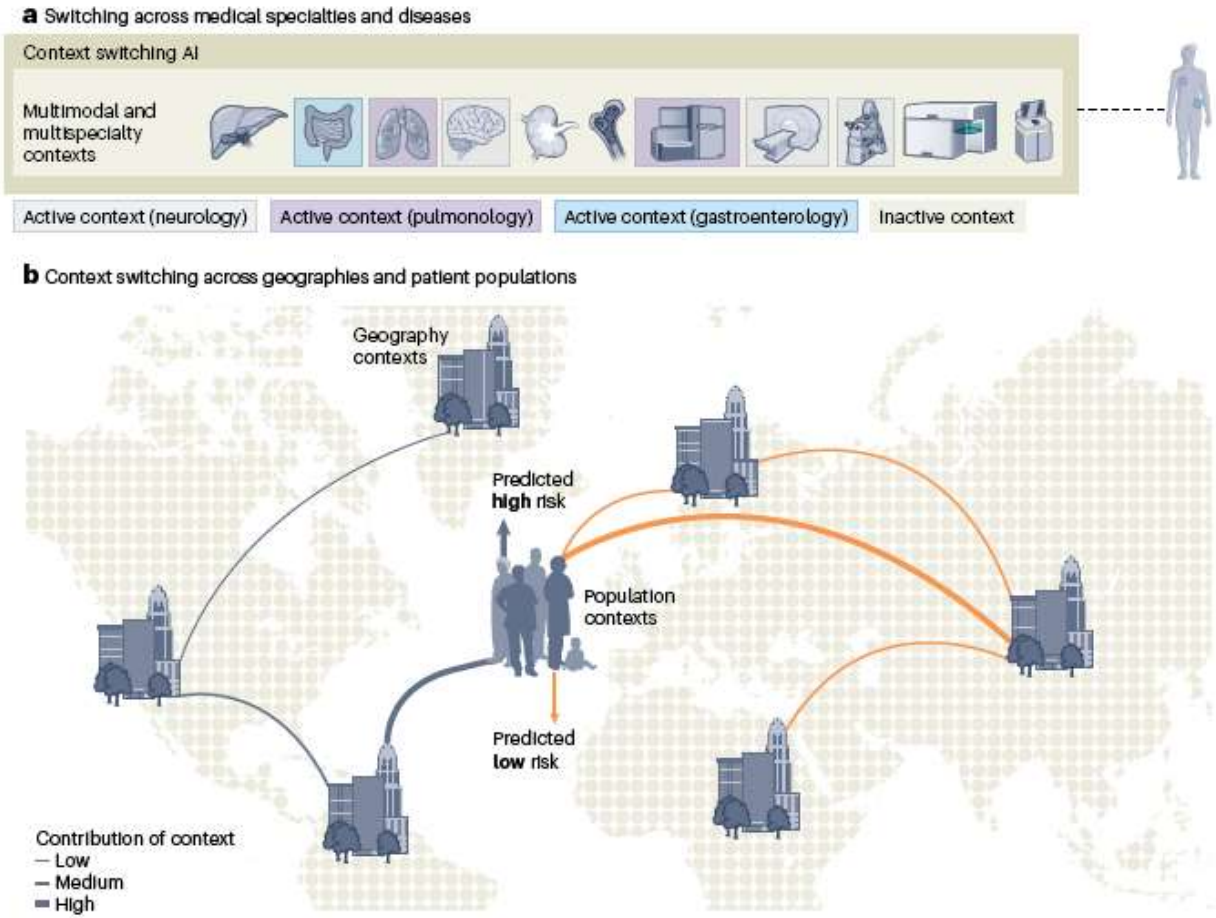


Fig. 2 | Context switching across medical specialties and diseases, geographies and populations, and healthcare roles. a, A context switching model for medical specialties and diseases can be a multimodal generative model that identifies and integrates the most relevant data modalities (for example, histopathology images, computed tomography (CT) scans and whole-genome sequencing) and clinical specialties (for example, neurology and pulmonology) to guide diagnosis and treatment. **b**, Adapting to geographic- and population-specific needs can involve a generative reasoning model capable of multistep inference, capturing both high-level reasoning (for example, shared disease risk factors) and fine-grained variation (for example, subpopulation-specific modifiers). **c**, A generative multi-agent system, where each agent represents a distinct healthcare role (for example, nurse, primary care physician or specialist), can flexibly engage the appropriate expert(s) for a given case, involve the patient throughout the decision-making process, and continuously update outputs using real-time access to the patient's EHRs.

Source: https://www.nature.com/articles/s41591-025-04184-7

Checkpoint Inhibitors Work Better in the Morning

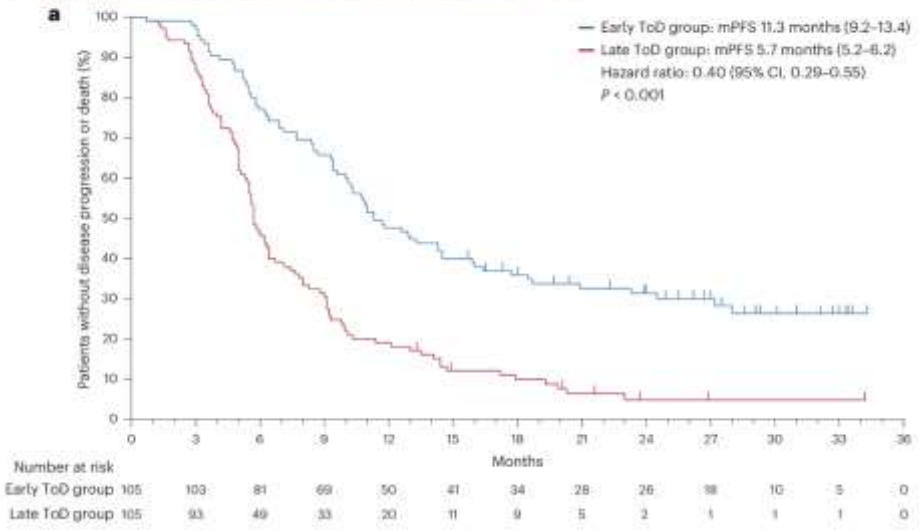
Huang Z,. Time-of-day immunochemotherapy in non-small cell lung cancer: a randomized phase 3 trial," *Nature Medicine*, Feb 2, 2026.

Retrospective studies suggest that early time-of-day (ToD) infusions of immunochemotherapy may improve efficacy. However, prospective randomized controlled trials are needed to validate it. In this randomized phase 3 LungTIME-C01 trial, 210 patients with treatment naive stage IIIC-IV non-small cell lung cancer (NSCLC) lacking driver mutations were randomly assigned in a 1:1 ratio to either an early or late ToD group, defined by the administration of the first four cycles of an anti-PD-1 agent before or after 15:00 h. The primary endpoint was progression-free survival (PFS), while secondary endpoints included overall survival (OS) and objective response rate (ORR). After a median follow-up of 28.7 months, the median PFS was 11.3 months (95% confidence interval (CI) = 9.2-13.4) in the early ToD group and 5.7 months (95% CI = 5.2-6.2) in the late ToD group, corresponding to a hazard ratio (HR) for earlier disease progression of 0.40 (95% CI = 0.29-0.55; P < 0.001).

The median OS was 28.0 months (95% CI = not estimable (NE)-NE) in the early ToD group and 16.8 months (95% CI = 13.7-19.9) in the late ToD group, corresponding to an HR of an earlier death of 0.42 (95% CI = 0.29-0.60; P < 0.001). Treatment-related adverse events were consistent with the established safety profile, with no new safety signals observed. No significant differences in immune-related adverse events were observed between the two groups. Over the first four cycles, morning circulating CD8+ T cells increased in the early ToD group, whereas they declined in the late ToD group (P < 0.001). Furthermore, the ratio of activated (CD38+ HLA-DR+) versus exhausted (TIM-3+PD-1+) CD8+ T cells was higher in the early ToD group (P < 0.001) compared with the late ToD group (P < 0.001). In summary, our study indicates that early ToD immunochemotherapy substantially improves PFS and OS and is associated with enhanced antitumor CD8+ T cell characteristics compared with late ToD treatment.

Fig. 2: PFS of early vs late ToD treatment group.

From: Time-of-day immunochemotherapy in non-small cell lung cancer: a randomized phase 3 trial



Source: https://www.nature.com/articles/s41591-025-04181-w

Disclosure

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