This is the EURUSD trade setup and the reasons why I entered long. The first chart shows my initial assessment of order flow and bias.

1. The look for harmonic completions. This process identified an ABCD pattern that completed slightly past harmonic expectations. This is reasonable as price really accelerated into the PRZ.
2. Asses order flow to identify market strength and weakness. This analysis shows momentum building for the bears as price has accelerated to the down side. This can be appreciated by the magenta linens on the chart below.
3. Identify psychological pricing levels and price's reaction to them. These are round numbers and you want to assess how close you are to them.
4. Find confluence between Structure and Fibonacci Ratios and build a case for entry. This showed a ratio confluence only and an absence of structure at the PRZ of the larger term ABCD.

So what are my conclusions?

1. Strong momentum into PRZ of an ABCD = Very strong bearish market.
2. We have a pattern completion but due to the increase strength and bearish order flow bias will not be looking for a long position at this time.
3. Absence of structure puts any long positions at a much higher risk.

What is my battle plan?

Wait for a correction to at least the 38.2 and reassess the order flow for a short entry. I had two when I got to the chart.
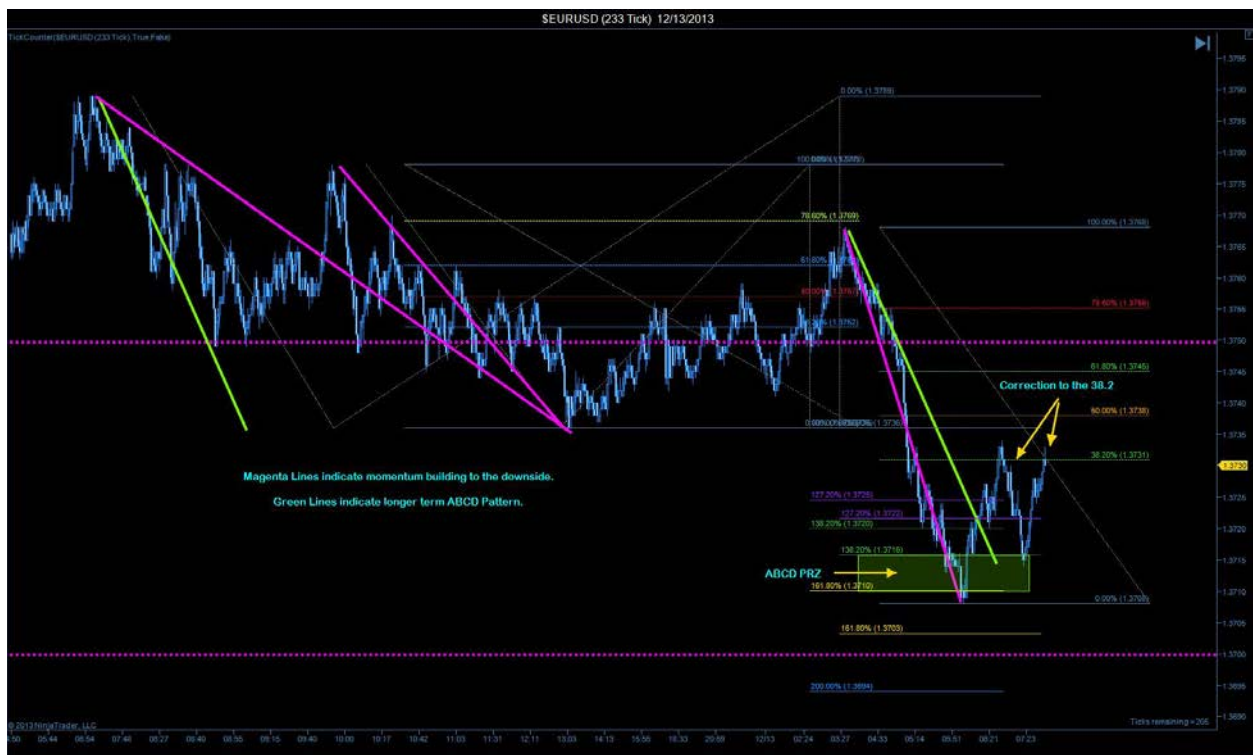
This is the point where I got to the chart. I see price created a higher low off of a 38.2 correction which is uncharacteristic with the kind of momentum that was driving price downward. I also see price make another attempt at the 38.2 with an increase in momentum also uncharacteristic considering the bearish bias and strong order flow.

The second is way deeper then expected and with greater momentum indicates bulls are gaining strength and the bears are weakening my expectation is a possible retest of the lows but not a NSL as the bears are weakening fast.

After this assessment to consider a short position, I am now on the sidelines considering a possible order flow rotation and assessing a possibility of long position off of the ABCD that completed.

I am mow seeing weakness by the bears in my area of interest and am no longer on the sidelines I am looking for a long position as now I have a potential second higher low. I am now waiting how a Bar by Bar confirmation of buyers entering the market.

$EURUSD (233 Tick) 12/13/2013

Bar by Bar Analysis:

Candle A shows initial signs of weakness as 2/3 of it's volume was rejected by the bulls.

Candle B shows buyers starting to aggressively buy at this price level. The candle is able to hold 100% of it's total volume which is a further testament of how weak the bears are at this point.

Candle C shows The bears desperately trying to hold on to the level however even though they achieved to hold on to 100% of the low, they were still unable to push price below the open of candle B or the close of candle A. The bears still show weakness.

Candle D show a will to push price lower but an inability to hold onto any of it and the candles closes neutral and at the same level of the previous three candles. This further confirms my assessment of major weakness and a possible nail in the coffin for the bears as this appears to be the low of this swing.

Candle E shows a candle that never traded below it's open which is a sign of strength and hold 2/3 of it overall trading volume. This confirms a very likely higher low and a rotation of the short term order flow.

Conclusion:

This is my second higher low and now have an expectation of a NSH. This is also an aggressive C buy of an ABCD to the high side. My entry is on the next bar open at market. There was a very quick surge in buying which caused a bad fill, it does happen everything is not bubblegum and rainbows.

Got filled at 1.3727. I hope you can see how I build my case for entry and my considerations for going against longer term order flow.

May case was built on facts that are present on the chart nothing is subjective and all of these facts provided me with a very high probability trade to the high side.